RULE BENDING AND RED TAPE: ORGANIZATIONAL AND INDIVIDUAL

INFLUENCES AND THE EFFECT OF ETHICAL CLIMATE

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Abstract

While it is established that rules are a critical part of organizations, less is known about the influences on the unintended consequences resulting from rules. Two of these consequences—rule bending and perception of red tape—are explored as a result of both organizational and individual influences; in particular, the context within which rules operate is considered as having a major impact. This dissertation investigates how components of bureaucratic structure (formalization and centralization), minority status, and ethical climate influence the prevalence of rule bending and perception of red tape. Twelve hypotheses are tested utilizing data from the employees of two local governments in a Midwestern state. Interview data lends support for the relationships between structure and rule consequences while quantitative results show that ethical climate has a mediating influence on those relationships. Structural equation models show that through three ethical climates, formalization and centralization indirectly affect rule bending; through one, they indirectly affect perception of red tape. Additionally, one's minority status influences willingness to bend rules and perceptions of red tape. In all, this study provides evidence that bureaucratic rules are influenced by the context within which they operate. It offers both practical and theoretical insight: practically, managers can consider the ethical climate that their organization encourages and whether or not that climate can or should be changed; theoretically, this dissertation contributes to existing knowledge by introducing ethical climate into the public management literature and showing that the context of the organization influences how bureaucratic structure leads to the unintended consequences of rules.

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Chapter 1: Introduction

Bunny Greenhouse was a top contracting officer within the United States Army Corps of Engineers in 2003 when she was faced with a dilemma surrounding bureaucratic rules (Emerson, Menkus, & Van Ness, 2011). As Emerson, et al., (2011, p. 55, emphasis added) put it,

> Prior to the initial invasion of Iraq in March of 2003, the Army Corps of Engineers contracted with Kellogg, Brown and Root (KBR), a subsidiary of Halliburton Corporation, to conduct a contingency plan for the project Restore Iraqi Oil (RIO) in anticipation of any damage that might come to Iraqi oil fields in a military conflict. The Corps then went out to bid for implementation of the RIO project. *Contract procedures call for a project contractor to be different than a contingency contractor to ensure there are checks and balances on the cost of the project; otherwise the contractor could dictate any price*. However, in this instance, KBR was awarded the RIO project as well and given a no-bid, sole-source, five-year emergency contract (two-year contract plus three one-year extensions) worth $7 billion.

Bunny Greenhouse's job was to oversee and sign off on contracts. Because this contract was awarded improperly, she did not approve it. Her superiors stated that they would go forth with the contract even if she did not sign it. She responded by signing the contract but noted near her signature that "a no-bid contract beyond a year would indicate a lack of intent for competition" (Emerson, et al., 2011, p. 56). In the end, an audit showed that this company overcharged the Corps millions of dollars and Bunny Greenhouse was called to testify in front of a Senate committee, even though she was advised against it by her supervisors. Eventually, she was

demoted, sued for retaliation as a whistleblower and was awarded nearly one million dollars (Davidson, 2011).

In 2008, former longtime Newark, New Jersey mayor Sharpe James was convicted on five counts of fraud for his role in the sale of city property (Craven, 2008; Whelan, 2008). From 2001 to 2005, James sold city property to Tamika Riley for under $50,000. Riley then sold the lots of land, which resulted in profits of more than $600,000. James was convicted of not disclosing his relationship with Riley before the contracts were signed. She was his mistress.

These two examples show extreme cases in which rules are critical. In the first, Bunny Greenhouse refused to break rules when her supervisors pushed her to sign contracts she felt were awarded illegally. Pressured to sign the contracts, she eventually did so while also noting her concerns. In the second, Sharpe James was found not to have followed rules dictating that relationships be disclosed before signing contracts on the sale of city property. While both of these examples happen to revolve around rules for the awarding of contracts, rules within organizations may involve a variety of subjects. In both of these cases, there is a blatant disregard for organizational rules, resulting in corrupt or illegal behavior—the very things that some rules are put into place to avoid. However, public employees at all levels—from the street-level to upper management—deal with organizational rules on a daily basis, consciously or not. These interactions with rules do not always bring about such dire consequences or cases of corruption, but they do have an impact on how employees behave.

Rules

Scholars have long established that rules in organizations are a critical component of bureaucratic structure (Weber, 1946; Pugh, Hickson, Hinings, Macdonald, Turner, & Lupton,

1963; Pugh, 1966; Hinings, Pugh, Hickson, & Turner, 1967; Pugh, Hickson, Hinings, & Turner, 1968; Jackson & Adams, 1979). Rules can be thought of as "required courses of action that allow little discretion…and do not have a chronological sequence dimension" (Jackson & Adams, 1979, p. 269). They serve as a way to exert authority (Weber, 1947 in Pugh, 1966), coordinate, control, and provide consistent decision making (Jackson & Adams, 1979), organize (March, Schulz, & Zhou, 2000, p. 8) and provide standardization (Pugh, 1966). Rules are also an indication of power: "Institutional theorists call attention to the truth that rules themselves are important types of resources and that those who can shape or influence them possess a valuable form of power" (Scott, 1987, p. 508). They impact the effectiveness of organizations because "they help to maintain social order" (Tyler, 2005) and serve purposes from providing protection for employees against arbitrary actions (Jackson & Adams, 1979, p. 271) to providing for consistent behavior across organizational employees so that outcomes are predictable.

While rules are theoretically tangible organizational attributes, responses to and perceptions of these rules are not. Organization members' attitudes towards or perceptions of rules—written or unwritten—may vary and can impact the organizational structure itself (Pugh, 1966), rather than only be a consequence of it. Rule attitudes themselves provide a feedback mechanism about the legitimacy of rules (Brown, 1960 in Pugh, 1966), and by extension, authority exercised within the bureaucracy. Tyler (1997, p. 335) argued that legitimacy of authority and rules influences voluntary compliance with them and enhances effectiveness:

> although authorities typically have some ability to reward rule following and
> punish rule breaking, leadership based on reward, coercion, or both is difficult
> and often ineffective. Hence, authorities benefit from and may be dependent on

having the members of groups accept the obligation to obey rules and decisions

voluntarily.

On the flip side, rule deviation may indicate that rule purposes are no longer being served

(Jackson & Adams, 1979), thus possibly contributing to organizational red tape (Bozeman,

2000). Further, perceptions and attitudes within an organization—and with regards to rules,

specifically— may invoke "schema," which develop through the collective experiences shared in

the workplace (Sandfordt, 2000). These schema have "structural significance. The structures,

though, are not imposed through organizational charts, formal procedures, or written rules that

staff passively enact. Rather they arise from the collective, daily experience shared by front-line

workers" (Sandfordt, 2000, p. 731). While Sandfordt studied the street-level bureaucrat, these

schema are likely to exist regardless of where within the organization the worker is situated.

Rule deviation—what is often referred to as rule bending or breaking—and red tape are

two consequences of rules in organizations. This study focuses on both of these consequences in

light of bureaucratic structure, individual characteristics, and organizational norms. Rule

bending is considered to be a response to rules and organizational norms while red tape is a

perception resulting from these rules and norms. Both rule bending and perceptions of red tape

may lead to either positive or negative organizational outcomes.

At its core, this research is about organizational behavior; Pugh (1969, p. 345) defined

organizational behavior as "the study of structure and functioning of organizations and the

behaviour of groups and individuals within them." As established already, rules are a part of

organizational structure that contribute to effective—and sometimes ineffective—functioning of

an organization to which employees respond, typically through actions or perceptions. While

there is some understanding about the necessity of and reasons for rules and how members of an

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organization view or react to them, there is little information about what actually influences those responses and perceptions. As Keiser and colleagues (2002, p. 555) succinctly put it, "we cannot understand bureaucratic behavior without taking into account the institutions in which the behavior takes place." Because the influence of bureaucratic structure is cyclical—that is, structure can affect bureaucratic behavior, while bureaucrats can also affect structure (Pugh, 1966)—this research is critical to understanding organizational behavior in terms of rules, particularly because the effectiveness of rules contributes to the effectiveness of the organization. As Scott (1987, p. 494) noted, Selznick "viewed organizational structure as an adaptive vehicle shaped in reaction of the characteristics and commitments of participants as well as to influences and constraints from the external environment." With that in mind, understanding the function of rules and the existence of red tape is not enough; we also must make attempts to understand how rules affect employee behavior and perceptions and how these behaviors and perceptions are influenced. Understanding those influences can help us better understand the effects of rule behavior on an organization, particularly for the bigger picture. Practically speaking, studying these influences on rule bending and red tape may provide some understanding about ways to better exercise authority and other intended consequences of rules should they be unfavorable.

Rule Consequences

As established above, rules are critical to organizations. Two important consequences of rules are that they may be bent or broken and they may be perceived as useless or ineffective. Here, rule bending and red tape, which are dependent variables in this study, are described.

Rule Bending

Rule bending occurs when one makes a conscious decision to deviate from rules (DeHart-Davis, 2007; Sekerka & Zolin, 2007). While rule bending can be thought of as self-interested behavior with negative implications (Thompson, 1977), recent scholarship has presented it in a more positive light. For example, Morrison (2006) has posited that "pro-social rule breaking" tends to occur because of one of three reasons: efficiency, to help a coworker, or to help a customer. Regardless of these why rule bending occurs, it is a consequence—beneficial or detrimental—of a rule-bound organization. Bureaucratic structure and norms may limit or exacerbate rule deviance within an organization and this study seeks to explain the manner in which this occurs.

Red Tape

"The government has so much red tape" is a common sentiment heard in our daily lives. Red tape in popular culture refers to a variety of things including too many rules, long lines, and delay. Within the public administration literature, however, organizational red tape is defined as "rules, regulations, and procedures that remain in force and entail a compliance burden but do not advance the legitimate purposes the rules were intended to serve" (Bozeman, 2000, p. 12). In other words, red tape has been conceptualized by scholars more as ineffective rules and less as long lines and delay. Put differently, "red tape is really a rule or set of rules that have for one reason or another proved *ineffective* and *burdensome*" (Bozeman & Feeney, 2011, p. 20, emphasis added). Red tape as a pathological part of bureaucracy dates back to Merton's (1940) study of the bureaucratic personality. It goes without saying that rules in organizations may be red tape or they may simply be *perceived* as red tape. In this case, true red tape is not of

particular interest; instead, perception of rules as red tape is considered. Even though rules may not actually be ineffective and burdensome rules, perception of rules as ineffective and burdensome may impact an organization just the same.

Research Questions

So if rule consequences are critical to the successful working of an organization, what factors influence them? This leads to the research questions, which, broadly stated, are:

1. *How does bureaucratic structure influence one's propensity to bend rules and perceive red tape?*

2. *What individual attributes contribute to rule bending and perceptions of red tape?*

3. *How do organizational norms influence the relationship between organizational structure and willingness to bend rules and perceive red tape?*

To answer these questions, formalization and centralization as two important organizational attributes are explored as having an effect on rule bending and red tape perceptions. The individual attributes of interest are race and gender, which are used to indicate one's minority status within the organization. Ethical climate theory will inform the third research question: the influence of ethical climate on the relationship between structure and rules is studied. The next chapter includes a literature review that will explain these variables in more detail as well as hypotheses for the relationships proposed.

Contributions to the Literature

This research is beneficial for public administration theory because it will shed light on how bureaucratic context and individual attributes affect perceptions of red tape and rule bending

behavior, which in turn may affect rule effectiveness and organizational structure, generally. While studies have been done on the relationship between structure and rule bending and red tape, this study contributes more knowledge in that area utilizing different methods. Knowing the impact of the variables of interest—formalization, centralization, minority status, and ethical climate—on rule bending and red tape can provide some answers for practice: organizations may find some unintended consequences in the way rules are perceived. More broadly, it will bring the current rules literature—which focuses on red and green tape theories—back to the basics of the structural impact that rules have on red tape and rule bending. The introduction of ethical climate is valuable for studying the impact of an informal organizational aspect on outcomes. Other advantages are conceptual. Race and gender are studied in a novel way: they are combined into a single, more nuanced variable known as "minority status." Similarly, this study introduces a new red tape measure that taps into various components of Bozeman's (2000) definition of red tape. This measure may be more pointed than the one traditionally used, which asks respondents to rate the level of red tape within their organization (See Bozeman & Feeney, 2011, for a review of studies measuring red tape).

One area of future interest lies in a relationship not considered in this project: rule bending as a response to red tape perceptions. The introduction of ethical climate may complicate this relationship and would be fruitful for future study. Another area for future exploration lies in the expansion of ethical climate as a concept of study within public administration. Work climates exist in organizations yet they are not studied in the public administration literature. Very little research delves into ethical work climate, which may provide some valuable insights for practice, particularly in terms of ethics training.

What's to Come

   In the following chapter, a literature review is provided on the concepts studied in this dissertation. Each hypothesis will be explained. In the third chapter, data and methods are outlined in order to answer the above research questions. That chapter also includes operational definitions and descriptive statistics about both the respondents and the measures used. The fourth chapter includes the results that address each of the hypotheses and above-stated research questions. In the fifth and final chapter, the results are discussed in the context of the whole study, avenues for future research are provided, and limitations are noted.

Chapter 2: Rule Bending, Red Tape, and their Organizational and Individual Influences

Bureaucratic structure includes rules (Weber, 1946; Blau, 1956 in Pugh et al., 1963; James & Jones, 1976). These rules, however, bring rise to unintended consequences, two of which are rule bending and red tape. Red tape is known as one of many "bureaupathologies" (Thompson, 1977; Caiden, 1991) and perhaps both rule bending and red tape are "necessary evils" when it comes to bureaucracy. A system of rules is not the only component of structure, though, and while both rule bending and red tape have been studied, little is known about whether or not other bureaucratic structure components influence them. Even less is known about how minority status and organizational norms affect these consequences.

This chapter presents the relevant literature. First, it addresses rules and the purposes they serve for organizations. The introduction of two unintended consequences of rules—rule bending and red tape—follows. Each of those consequences is addressed in turn. Following those discussions, the chapter presents speculation on how parts of bureaucratic structure—formalization and centralization—may lead to more or less of these consequences. Similarly, there is discussion on how they may be impacted by one's minority status. Finally, ethical climate is introduced and how it may play a role in encouraging or discouraging rule bending and perceptions of red tape. Throughout, hypotheses are presented, which will be tested in Chapter Four.

Rules and Rule Consequences

Rules exist in all organizations: "Even at the most basic level, employees enter and leave their workplaces following the rules specified in the time schedule" (Zhou, 1993, p. 1134).

Brewer and Walker (2010a, p. 418) defined them as "norms, regulations, procedures and expectations that regulate individual behaviour in organizations" and they are there "to ensure accountability, equity, and ethical behaviour." While rules exist in organizations public and private, Welch and Pandey (2007, p. 379) noted that "the rule-bound character of public organizations persists both as an important means of ensuring accountability and responsiveness and as a potentially pernicious constraint on efficient operation, coordination, communication, managerial initiative, and innovativeness." In all, rules are important for "expectations for interactions" (Walsh & Dewar, 1987, p. 218) and are critical for limiting uncertainty and increasing organizational legitimacy (Cyert & March, 1963 in Zhou, 1993).

Rules are one component of organizational structure (Blau, 1956). Structure is defined by James and Jones (1976) as "its communication channels, rules and procedures, distribution of power within its boundaries, the way jobs are organized, grouped, and linked and so on" (in Schminke, 2001, p. 276). Further, that structure "constitutes and defines stable patterns of relationships and activities" (Zhou, 1993, p. 1136). Rules as a part of organization structure is not a new idea, as it dates back to Weber (1946) at the very least. Pugh (1966, p. 239) said it best:

> [Weber] noted that characteristically in a bureaucracy, authority is exercised by a means of a system of rules and procedures through the official position which an individual occupies… Rules and procedures are drawn up for every theoretically possible contingency. There is a "bureau" for the safekeeping of all written records and files—it being an important part of the rationality of the system that information is written down… The system thus aims to develop the most efficient methods for achieving its goals by depersonalizing the whole administrative

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process. Written rulebooks, standardized procedures, and formal training and

qualification for appointment all act to minimize capricious differences in the

treatment of the same problem, eliminate nepotism in promotion, and set and

maintain high standards of efficiency in working.

Weber's ideal type bureaucracy, then, included rules as a critical factor in the organization's

effectiveness.

With rules (and structure), however, come consequences. These consequences come

about through the interaction people have with rules:

A most important assumption is that a rule (regulation, procedure) is a *social*

concept and has no existence without social meaning. This is because rules are all

about behavioral requirements. Since a behavioral requirement of a rule is a

defining characteristic, and since behavioral requirements are inherently social, it

follows that rules themselves are best viewed as social artifacts. (Bozeman &

Feeney, 2011, p. 35, emphasis in original)

Because rules require behavior—through implementation or enforcement, for example—

they may also *lead* to behaviors, which can be considered consequences. Weber's ideal

type only addressed "intended consequences" rather than those unintended (Pugh,

Hickson, Hinings, MacDonald, Turner, & Lupton, 1963, p. 294).   Pugh (1966, p. 239)

argued that scholars must pay also attention to the "attitudes, values, and goals of

specialist subunits and individuals and the way in which these continuously modify the

organization's formal structure." It is important, then, to consider what happens as a

result of rules. One potential behavioral response to rules is rule bending. Individuals

who do not follow rules are "bucking the system" in the sense that the formal structure is

not maintaining its goal of predictability when rule benders exist. Another consequence

of rules is how they are perceived. Rules can be seen as effective or ineffective, the latter

referring to red tape. Rules that are viewed as red tape may lead to behaviors such as rule

bending or simple disregard.

Keeping in mind that rules exist in some form or another in organizations, and that it is

possible for rule bending and perceived red tape to also exist as a result, it is important to see

what other bureaucratic structural components might also influence these two consequences.

Components of bureaucratic structure are likely to have an effect on rule consequences because

"the many formal and informal structures, systems, and processes that make up an organization's

design affect one another (e.g. Khandwalla, 1973, Mintzberg, 1979)" (Rivkin & Siggelkow,

2003, p. 290). In the following sections, these two unintended consequences of rules are

addressed as well as hypotheses for how other structural—and individual—components may

influence them.

Rule Bending

If rules are in place to ensure predictable and consistent behavior, rule bending is a

bureaucratic behavior that counters those benefits.[1] Defined, rule bending is "a willingness to

depart from rules and procedures" (DeHart-Davis, 2007, p. 893) and "involves a decision to go

around the formally stated obligations by not fully following a rule, requirement, procedure or

specification" (Sekerka & Zolin, 2007, p. 228). It is a conscious decision: "rule benders

knowingly violate procedure, and thus rule bending is conceptualized as intentional behavior"

(DeHart-Davis, 2007, p. 894). In this light, rule bending could be seen as one form of

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[1] While rule bending can be done with positive or negative motives and can result in both positive and negative
consequences, I do not take a normative stance or make any normative claims about rule bending behavior.

organizational dissent (see O'Leary, 2007). Tyler (2005, p. 1288) argued that organizations want

to keep rule bending to a minimum because maintaining control over employee behavior—and

ensuring desired behavior—is important for organizational success and functioning, but the

prevalence of rule bending is not exactly agreed upon. Tyler (1997, p. 323) noted that most

people follow rules "because there are a wide variety of rewards for compliance and punishments

for noncompliance within most groups and organizations." DeHart-Davis (2007) found rule

bending to be relatively common among public sector employees. Regardless of the

disagreement on how common it is, it is certainly a behavior worth studying due to its potential

for impacting the organization.

Rule bending (or breaking)[2] is typically seen as deviant or unethical behavior with self-

interested motives (Vardaman, Gondo, & Allen, 2012; Robinson & Bennett, 1996; Griffin &

Lopez, 2005). One potentially self-interested motive for rule bending is when a bureaucrat does

not comply with a rule in order to "build social capital and have positive reputation with

citizens" (Bourdieu, 2005 in Portillo, 2012, p. 89). Similarly, Maynard-Moody and Musheno

(2003) found that bureaucrats sometimes choose to bend rules and act as a "citizen-agent" in

order to help a particular client or, on the other hand, stringently follow rules, acting as a "state-

agent" in order to not help, and sometimes even punish, a client. Rule bending may also occur to

overcome an impediment of bureaucracy: it is sometimes a response to perceived red tape

(Jackson & Adams, 1979) or feeling a need to get the job done (Sekerka & Zolin, 2007). Value

conflicts might also trigger rule bending: an employee may see the spirit of a rule or law is better

upheld with some bending of a rule (Sekerka & Zolin, 2007).

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[2] It is important to note that, while not conventional, Sekerka and Zolin (2007) argued that rule bending is not to be seen as the same as rule breaking: bending a rule indicates some lack of adherence to a rule as opposed to outright violation. For the purposes of this research, rule bending and rule breaking are considered the same concept and the terms are used interchangeably.

Rule bending may also occur because an employee believes the result is better for the organization: "[they] may feel trapped by a rule that is counterproductive or too rigid… [which] can create tension for employees, as they feel pulled between the desire to be rule-abiding employees on one hand and the desire to respond appropriately to situational demands on the other" (Morrison, 2006, p. 7). "Pro-social rule breaking" occurs in "any instance where an employee intentionally violates a formal organizational policy, regulation, or prohibition with the primary intention of promoting the welfare of the organization or one of its stakeholders" (Morrison, 2006, p. 6). In a qualitative study, Morrison (2006, p. 10) found three reasons for pro-social rule breaking: efficiency, wanting to help another employee, or for customer service. In these cases, not complying with a rule or set of rules is not a self-interested endeavor and is instead seen as beneficial to the organization in some way. Put succinctly, Portillo (2012, p. 90) noted that "rule bending is portrayed as part of a push for entrepreneurial leadership in organizations, and is individually admired, but seen as collective action it goes against the formal structure and public values of bureaucracies (Goodsell, 1993, 2004; Osborne & Gaebler, 1992)." Morrison (2006, p. 6) echoed this thought: "Every day, employees face choices that pit obedience to formal organizational rules against responsiveness, innovation, customer service, or compassion. In essence, they face choices of whether to deviate from the rules to perform their jobs well. In many cases, …they choose to ignore or violate the rules." Thinking of the pull toward each end of the follow-bend/break spectrum, it is no wonder that Portillo (2012) characterized rules as a "paradox."

Practically speaking, rule bending behavior within an organization may indicate a need to revise rules currently on the books. For that alone, rule bending behavior and its prevalence is

informative to the organization not just as a suggestion that rules may not be working as intended for control or legitimacy purposes but also as a potential indicator of rule ineffectiveness.

Red Tape

A second consequence of rules is the perception that they are ineffective or, more specifically, that they are red tape. "Red tape" is a very popular and well-known term:

> Nearly every English speaker knows the term 'red tape.' However, a shared term does not always equate to a shared meaning. When someone complains about red tape, it is difficult to know whether a person is bemoaning the amount of paperwork in an organization, tangled rules and regulations, capricious bureaucratic behavior, lethargic bureaucratic behavior, or the sad plight of having socially desirable, effective rules enforced to one's personal disadvantage. Popular usage of the term 'red tape' requires no precision. (Bozeman & Feeney, 2011, p. 3)

In public administration literature, red tape has a more specific meaning created by Barry Bozeman (2000, p. 12): Organizational red tape is known as "rules, regulations, and procedures that remain in force and entail a compliance burden but do not advance the legitimate purposes the rules were intended to serve." Given this definition, there are three major components that distinguish red tape from other rules: to be red tape, a rule must be enforced or used; it must create a burden in the sense that there is some sort of cost associated with implementing the rule; and, finally, it must be useless in terms of its original purpose. Because of these three major components, red tape is a multi-faceted concept.

Red tape can come about in two important ways. "Rule-inception red tape" occurs when something about a newly-created rule makes it ineffective, meaning that the rule is simply born as red tape. Bozeman and Feeney (2011) provided several causes of rule-inception red tape. The first is when someone within the organization acts according to their self-interests and creates a rule that is burdensome and does not meet its objectives. Another is when the "rule forecast" is incorrect, meaning that the rule does not lead to the intended outcome (Bozeman & Feeney, 2011, p. 56). The final three reasons rule-inception red tape may occur are when there is a functional object for one group but not the entire organization, when there is so much compromise surrounding development of the rule that its purpose is lost, and when there is managerial or political overcontrol (Bozeman & Feeney, 2011, p. 54-9).

On the other hand, "rule-evolved red tape" occurs when a once-functional rule loses effectiveness as time passes and becomes red tape. Bozeman and Feeney (2011, p. 62-8) explained six ways rules can evolve into red tape. First, "rule drift" may occur with rules created by "organizational phantoms." Eventually, rule creators leave organizations and the meaning of a rule may get lost, thereby "drifting" from its intent as conceptualized by the now-"phantom." Second, changes in implementation of a rule may render the original rule ineffective. While rule drift implies that the content of the rule has changed, implementation drift implies that the content has remained but its implementation has evolved, which may result in the need to update the rule. Third, a change in the rule's functional object, or fourth, a change in the rule's ecology, may make a rule unnecessary or useless. Bozeman and Feeney (2011, p. 66-7) gave an example of a rule that requires things to be printed out on paper. If things are now done electronically, this rule is no longer useful. Fifth, red tape may result from rule strain, which simply means there are too many rules with too few resources. In this case, employees will choose shortcuts—

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and perhaps bend or break rules—to get by. Lastly, rule-evolved red tape may occur due to rule incompatibility, which happens when new rules and old rules conflict with one another.

The sheer number of reasons for how red tape may occur indicates that red tape has great potential to exist in every organization. It is important, however, to keep in mind that useless or ineffective rules themselves are not red tape unless there is a compliance burden associated with them. How much compliance is too much compliance? It might be best to learn from those who have to implement organizational rules. Perceptions of red tape are captured in the literature by the concept of stakeholder red tape, which is "a rule that remains in force and entails a compliance burden, but *serves no objective value by a given stakeholder group*" (Bozeman, 2000, p. 83, emphasis added). These stakeholders may include employees within the organization or even those outside of the organization who interact with those rules, such as clients and contractors (Bozeman & Feeney, 2011, p. 119). As Kaufman said, "[o]ne man's red tape may be another's treasured safeguard" (1977, p. 7).[3] Bozeman is quick to note, however, that in a rules-based theory of red tape, all red tape is pathological and never beneficial (2000; with Feeney, 2011). Perhaps one simple revision to Kaufman's statement better characterizes red tape: one man's *burdensome rule* is another man's treasured safeguard.

Employee perceptions of red tape are important for two reasons. First, red tape can have negative consequences for an organization. Scott and Pandey (2000) found that perceptions of red tape lowered the levels of service provided, though this influence is moderated by client perceptions, and DeHart-Davis and Pandey (2005) found that red tape is associated with the alienation of managers in the workplace. Second, employees encounter rules daily and can give insight on those rules. As established, rules can provide a course of action or standard operating

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[3] Waldo (1959, p. 369) also expressed this: "one man's red tape is another man's system."

procedure (Pugh, et al., 1963; Pugh 1966; Jackson & Adams, 1979; Zollo & Winter, 2002). When the purposes of a rule are no longer being served, employees are likely to deviate from the rule, which is a "symptom" of red tape (Jackson & Adams, 1979, p. 272). From the organizational perspective, perception of red tape, and possible deviation from rules, is potentially undesirable because rules provide a way to predict behavior across the organization (Pugh, 1966). When behavior is no longer predictable, organizational performance may be more difficult to assess and attain. In sum, how employees perceive of rules as red tape is vital for the effectiveness of rules generally within an organization.

Bureaucratic Structure and its Influence on Rule Bending and Red Tape

Above, it is established that rules are a critical component of bureaucracy and that along with rules come consequences; the remainder of the chapter speculates on what else might impact those rule consequences. Pugh and colleagues (1968) outlined several dimensions of bureaucratic structure, which are specialization, standardization, formalization, centralization, and configuration. Three are important when thinking about rules. First, standardization is closely related to rules as it refers to procedures. Formalization refers to the extent that rules are written. Centralization refers to the locus of decision making authority, which may have an influence on the rules structure. These latter two components of bureaucratic structure might influence rule bending and perceptions of red tape. These two components of bureaucratic structure are chosen for exploration here because of their direct relationship with rules: while neither of these is rules themselves, they do have bearing on how rules might be characterized or how rules might function within an organization. Formalization deals with the written nature of rules while centralization is related to the spoken nature of them.

Formalization

Rules can be written or unwritten. The degree to which "communications and procedures" are written is known as formalization (Pugh, et al., 1963, p. 303), which gives power and influence to those of organizational authority (Walsh & Dewar, 1987, p. 215). More formally, an unwritten standard that is codified into an expected plan of action in response to particular situations exhibits organizational formalization (Pugh, et al., 1963; Pugh, 1966; Jackson & Adams, 1979; Zollo & Winter, 2002). Not all scholars, however, define formalization in terms of written rules. Aiken and Hage did not include a written requirement but they did account for deviance: "the degree of work standardization and the amount of deviation that is allowed from standards" (1966, p. 499). Bozeman and Feeney (2011, p. 23) encapsulated thoughts about formalization well:

> Scott provides a good account of the importance of formalization, beginning with
> the idea that formalization actually *defines* organization. Scott's definition of
> formalization is broader than some others in that it examines all organization
> structure, not just rules. According to Scott (1987, 33), 'a structure is formalized
> to the extent that the rules governing behavior are precisely and explicitly
> formulated and to the extent that roles and role relations are prescribed
> independently of the personal attributes of individuals occupying positions in the
> structure.' Without prescribed roles and behaviors, established through sets of
> formal rules, formal organizations cannot exist (Simon, 1957). If a group's
> behavior is entirely based on unpredictable, illegitimate, and informal behaviors,
> the group is not by any conventional definition an organization. The

formalization issue, then, is not 'whether' but 'how much' (Rivkin & Siggelkow,

2003).

While these two latter definitions or explanations of formalization are important, this study

moves forward with the idea that formalization refers to the written nature of organizational

rules. To be clear, formalization and rules are not exactly the same thing because many

organizational rules might not be written; therefore, formalization can be thought of as an

organizational characteristic related to rules.

Formalization tends to have positive organizational outcomes. It impacts organizational

efficiency and effectiveness while also feeding into "power and authority relationships" (Walsh

& Dewar, 1987, p. 218). Formalization may also have positive psychological outcomes, as

Adler and Borys (1996) argued. They posited that enabling bureaucracy consists of

formalization that empowers the worker, in contrast to coercive bureaucracy, which may lead to

alienation and dissatisfaction. Because formalization reduces unpredictable behavior and rule

bending is seen as a deviant behavior, then one would expect that more formalization leads to

more compliant behavior. That logic is supported by Leisha DeHart-Davis, who found that

formalization itself (2007) and effective rules (2009a), of which formalization is a component,

lead to greater rule abidance. Consistent with previous research, it is expected that:

H_1: *The higher an organization's formalization, the lower the rule bending behavior.*

Green tape theory contends that formalization is one of five qualities that make up an

effective rule (DeHart-Davis, 2009b), thereby indicating that formalization may decrease

perceptions of red tape. On the flip side, Walsh and Dewar (1987) stated that ineffectiveness

may also result from formalization because written rules are a source of power. Additionally,

rule dynamics are affected by organizational complexity, which leads to the creation of new or change of old rules (Zhou, 1993). Put simply, formalization over time may lead to rules being created on top of rules that still exist but are no longer purposeful, potentially creating red tape (Bozeman & Scott, 1996).

This is not to say that formalization is red tape, though earlier red tape scholars did equate the two (Buchanan, 1975; Baldwin, 1990). Instead, it is possible that the likelihood of red tape, as defined by Bozeman (2000), is increased when there is more formalization in terms of written rules. For conceptual clarity, it helps to keep in mind the distinction offered by Bozeman and Scott (1996, p. 8), who referred to formalization as a physiological component of bureaucracy while red tape is a bureaucratic pathology. While they conceptualized formalization more broadly than the extent to which rules are written, Pandey and Scott (2002, p. 565) argued that red tape[4] is present when "managers view formalization as burdensome and detrimental to organizational purposes." Lastly, the relationship between red tape and formalization is summed up by Bozeman and Feeney (2011, p. 48):

> Red tape is bad. It is not an aid to accountability or legitimacy or a means of ensuring participation. Rules that appropriately hold organizations accountable may not be popular with the people constrained by them, but they are not red tape. Nor is red tape the same as having a great many or overly detailed rules. The amount of rules is formalization, and the level of formalization and the rule mass may tell us little or nothing about the amount of red tape. Many rules do not imply effective rules. Few rules do not imply effective rules.

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[4] Pandey and Scott (2002) conceptualized red tape in their study as managerial perceptions of formalization.

Considering that red tape are rules (written or not) that are in place, begging compliance, but do not meet the stated objectives, and that formalization implies more written rules, it is hypothesized that:

H_2: *The higher an organization's formalization, the higher the perception of red tape.*
In this case, formalization is expected to lead to perceptions of increased red tape because of the possibility for more red tape simply given the volume of written rules. In a sense, the hypothesis suggests that formalization tells us closer to "a little" than "nothing" about red tape.

Centralization

Centralization refers to the locus of authority in an organization and is one of the several dimensions of organizational structure (Weber, 1946; Hinings, et al., 1967). Hage (1965, p. 265) stated that "[t]he lower the proportion of occupations or jobs whose occupants participate and the fewer the decision areas in which they participate, the more centralized the organization." Pugh and his colleagues (1968, p. 82) found that centralization is negatively correlated with formalization, which contradicts Hage's proposition that higher centralization leads to higher formalization (1965, p. 300). Blau and Meyer (1987, p. 99) stated the relationship a bit differently: "if formal rules effectively regulate performance, then there is less need for directives from superiors." Taken together, organizations with effective rules may have a lesser need for centralization, as seeking out authorization might confound the effectiveness of rules— particularly written—within the workplace.

Leisha DeHart-Davis (2009b, p. 370-1) argued that optimally controlling rules communicate "messages of trust," which are

expected to increase cooperation with rule implementation. This contention is

based on theory and evidence of trust responsiveness, which holds that individuals

who feel trusted behave in trustworthy ways based on a desire to meet the

truster's expectations (Bacharach, Guerra, & Zizzo, et al., 2001; Braithwaite &

Makkai, 1993; Guerra & Zizzo, 2002; Pettit, 1995).

These "messages of trust" indicate that employees will operate in greater abidance with rules.

Centralization, however, may negate those "messages of trust" by requiring employees to defer

their decision making power to supervisors. It is possible that these decisions are made within or

without the context of written rules. DeHart-Davis (2007) found that centralization was

associated with more employee rule bending. She later found that green tape, of which optimal

control is a component, led to decreased rule bending (2009b), presumably because messages of

trust are in place in the form of the above-explained optimally controlling rules. For these

reasons stated above, it is theorized that:

     H_3: The higher an organization's centralization, the higher the rule bending behavior.

     When keeping in mind that rules—and formalization more specifically—and

centralization are two types of organizational control mechanisms, it becomes apparent that the

need to seek authorization provides an interesting paradox for rules, particularly those that are

written or formalized. If red tape is defined as a burdensome rule that requires compliance but

does not meet its objective, an action dictated by a rule that also requires authorization may be

considered burdensome to an employee. In the case of street-level bureaucrats, Meier and Bohte

(2001) found that the need to limit discretion is less necessary when employees are highly

professionalized. If the need for authorization is seen as a mechanism for limiting discretion,

employees who have experience and are professional may view centralization as burdensome and unnecessary for getting their jobs done. The following hypothesis results:

H_4: The higher an organization's centralization, the higher the perception of red tape.

Caveats

Two caveats must be highlighted. The first involves the concepts of formalization and centralization. In a way, these two structural components work opposite one another. Logic dictates that the more formal an organization is, the less likely there is a need for centralized, verbal decision-making in terms of employees needed authorization to get their jobs done. As a result, hypotheses for rule bending are posited in opposing directions: decreased rule bending when there is increased formalization and increased rule bending when there is increased centralization. For similar reasons, both concepts are expected to increase red tape: formalization for the potential volume of rules and centralization for a potential "extra step" in getting things done, either working around or in lieu of rules. Some research suggests that there is a negative relationship between both constructs (Child, 1972; Grinyer & Yasai-Ardekani, 1980), while other research suggests a positive one (Hage & Aiken, 1967).[5] Given the ways in which these two concepts are defined and how those definitions shape the specific hypotheses regarding bureaucratic structure and rule consequences, it is expected that there will be a negative correlation between formalization and centralization.

The second concerns theoretical linkages to red tape. In previous literature, red tape has been studied alongside formalization and centralization. Feeney and DeHart-Davis (2009) studied all three of those concepts as "components of bureaucratic control." In this study, red

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[5] See Bozeman and Scott (1996) for a more in-depth discussion regarding the relationship between these two constructs.

tape is treated as a potential outcome of the other two. Red tape may be perceived by employees

whether or not a rule is written (formalization) or there is a need for authorization

(centralization). In other words, because red tape is not treated as an objective organizational

phenomenon, it is appropriate to study employee perceptions of red tape as a result of these two

components of bureaucratic structure.

Individual Characteristics and their Influence on Rule Bending and Red Tape

Not only might organizational structure influence rule consequences, but so, too, might

individual characteristics. One particular individual characteristic that is of interest here is

minority status. In this study, "minority status" refers to two socioeconomic characteristics—

gender and race—that may influence one's status within the organization. The idea of

individual characteristics having an influence on one's standing within an organization is not

new, as Max Weber (1946) discussed social status in economic systems in terms of those viewed

as having more stature are also perceived as more powerful.[6]

There are many reasons why minority status might influence rule bending behavior and

red tape perceptions. These reasons have to do with how public employees view or use rules.

The "bureaucratic personality" is seen as feeling powerless, which may drive the need for more

organizational rules (Bozeman & Rainey, 1998). Individuals who feel they are less powerful

within in an organization may use rules as a source of authority or legitimacy (see Portillo,

2012), which echoes Walsh and Dewar's (1987, p.226) statement that "rules are a person's first

line of defence." To defend their positions, Merton (1957) noted that people follow rules and

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[6] Thought not studied in this dissertation, other elements of one's social status or standing may include educational level, economic class, and position within the organization, among others.

"[do] what the systems say" (Walsh & Dewar, 1987, p. 226). Therefore, rules are important to how one feels about their standing or legitimacy.

Minority status of employees within an organization may affect how one sees the application of procedures (Tyler, 2006). Shannon Portillo (2012) found that white men often resort to rules when all else as fails. While earlier research found that employees may bend rules to compensate for their lack of power (Bensman & Rosenberg, 1963), more recent scholars find that women and minorities—those with less face credibility—use rules as a source of protection and legitimacy. Portillo and DeHart-Davis (2009) found that women in higher standing within public organizations are more likely to abide by rules than women with lower organizational status. Similarly, Portillo (2012) found that women and minorities follow rules more often. Because the literature above tends to agree that those with minority status are more likely to use organizational structure (here, rules) as a way to lay claim on their legitimacy and authority (Merton, 1957; Portillo, 2012), the following are hypothesized:

H_5: *Minority status will lead to lower rule bending behavior.*

H_6: *Minority status will lead to lower perception of red tape.*

It is suspected that minority status will result in lower red tape perceptions simply because using rules as a claim to legitimacy would indicate that these rules are useful in some way to the employee, even if only for personal value (power). With increased attention to diversity in public administration these past several years, very little attention is paid to the relationship between minority status and rules. Minority status in this study considers both gender and race, which can be thought of as having a continuum with white male on one end and minority female on the other (Crenshaw, 1989; Portillo, 2012). While the relationship between gender and rule bending has been previously explored, the idea of "minority status" as a cross between gender

and race has not been tested. This study seeks to provide confirmation to Portillo's (2012) qualitative study on standing and rule bending as well as shed light on the relationship race and gender has with red tape perceptions.

There is one other individual characteristic that has been found to influence rule bending behavior. DeHart-Davis (2007; 2009b; Portillo & DeHart-Davis, 2009) has found that nonconformity is positively related to rule bending. Nonconformity is a personality characteristic that is, using a definition from Kohn (1977), the "extent to which individual behavior is driven by internal rather than external standards" (DeHart-Davis, 2007, p. 894). Nonconformists, then, are influenced more by their own internal beliefs than they are the system of which they are a part. Because of the consistency of findings that nonconformity influences rule bending behavior, it is logical to expect that nonconformity will be associated with more rule bending.

Ethical Climate and its Influence on Rule Bending and Red Tape

"Early work in organization theory recognized that as social entities, organizations exert collective forces on their members greater than the simple sum of individual attributes and beliefs (Blau & Scott, 1962). These collective forces take the shape of group—or organizational—values and norms" (Schminke, 2001, p. 386). Thus far, hypotheses have focused on the ways in which organizational structure and individual characteristics influence one's rule bending behavior and perception of red tape. There is a missing piece of the puzzle, however, which is to what Schminke was referring: the values and norms that make up the context within which these behaviors and perceptions take shape. While context and norms are not a part of formal structure or one's individual characteristics, they do exist. These norms may

influence rule consequences; Bozeman and DeHart-Davis (1999, p. 173) concluded that there is a "limit to what any rules-based system can reasonably be expected to accomplish." To be sure, Manning (1977) provided evidence that the context within which rules operate, not just the rules themselves, influences both interpretation and implementation. Therefore, these norms are likely to work in tandem with the formal organization to influence the rule consequences of rule bending and perceived red tape.

While there are many ways to study norms—and even many norms to study—this study introduces ethical climate as a potential influence on these rule consequences. Ethical climate theory was developed by Victor and Cullen (1987) and has been a mainstay in the business ethics literature since. Ethical climate can be thought of as the "ethics" or "ethical norms" of an organization and is simply one dimension of a multifaceted work climate that accounts in part for the socialization processes that occur once an individual becomes part of an organization (Victor & Cullen, 1987, p. 51). More broadly, a work climate is made up of perceptions that "are psychologically meaningful molar descriptions that people *can agree* characterize a system's practices and procedures" (Schneider, 1975, p. 474, emphasis added). These perceptions are not influenced by personal choice as "they are necessary as a frame of reference for gauging appropriateness of behavior" (Schneider, 1975, p. 473). Specifically defined, ethical climate consists of "[t]he prevailing perceptions of typical organizational practices and procedures that have ethical content" (Victor & Cullen, 1988, p. 101). Thus, ethical climate tells workers what they *should* do when it comes to dilemmas of ethical content. While rules do not explicitly have ethical content, how they are utilized and perceived may: "ethics may also play a role in guiding organizational behavior" (Schminke, 2001, p. 377). Rule consequences are one facet of organizational behavior, which is potentially influenced by both structure and ethical climate.

While ethics vary from person to person, they can be influenced by one's environment. It is a common assertion now that ethical decisions and ethical behavior are not alone determined by personal attributes, as evidenced by Treviño's (1986) development of a person-situation interactionist model of ethics that includes both individual and environmental factors as working together to influence ethical decisionmaking (see Loyens & Maesschalck, 2010). Very little research with a public sector focus considers how ethical climate might impact organizational behavior, save for Rothwell and Baldwin's study (2006) that looked at ethical climate as a predictor of whistleblowing and Laratta's study (2011) linking ethical climate and accountability in nonprofit organizations of the United Kingdom and Japan.

In cases of dilemmas with an ethical nature, an organization's ethical climate may affect the use of rules; the norm for the bases of ethical decision making may result in changes in rule attitudes. Jackson and Adams (1979, p. 271) noted that one function of rules is to "depersonalize and stabilize organizational decision making." Tyler's self-regulatory model (2005) indicated that legitimacy of authority and shared moral values "have the potential to motivate employees to feel a personal responsibility for bringing their behavior into line with corporate rules and policies" (p. 1290-1). Tyler concluded that organizations "benefit by fostering ethical values in their employees that support rule following" (2005, p. 1300) and with Blader (2005, p. 1153) stated that organizations "to gain acceptance...for rules and policies, …should encourage employees to act on [the organization's] values." With that in mind, organizational ethics—ethical climate, in this study—may influence the perception of or behavior regarding rules in the workplace.

Ethical climate is an intangible part of the organization that is the result of socialization and norms (Victor & Cullen, 1987). Oberfield (2010, p. 736) cited several organizational

theorists such as Brehm and Gates (1997), Kaufman (1960), and Lipsky (1980) when he stated

that "situations and organization contexts tend to alter the perceptions and behaviors of

organization members." Specifically, Bozeman and Scott (1996, p. 6) noted that formalization's

effects "depend heavily upon organizational context." This logic can be extended to include the

effects of centralization and that ethical climate is one dimension that provides some of that

context. While Oberfield suggested that contexts tend to "alter" perceptions, this present

research suggests that ethical climate does not "alter" these perceptions so much as strengthen or

weaken the effects of these structural components on red tape and rule bending. Because "an

organization's structure may be viewed as one of the causes of…climate" (Schneider, 1975, p.

462), it makes sense to suggest that climate is first influenced by the structure, which both in turn

influence rule consequences.

There are nine theoretical ethical climates reflecting two dimensions: ethical criterion

(egoism, benevolence, and principle) and locus of analysis (individual, local, and cosmopolitan).

The ethical climate typology can be seen in Figure 2.1.

<Insert Figure 2.1.>

The criterion dimension has roots within Kohlberg's moral development theory. Kohlberg

(1981) presented three types of ethical standards: self-interest, caring, and principle. Victor and

Cullen note that these are related to "three major classes of ethical theory: egoism, utilitarianism,

and deontology" (1987, p. 54). The three classes of ethical theory can be separated based on

motives. When it comes to ethical climate, the authors assume that organizations progress along

a dimension similar to the three ethical theory types (1987, p. 54). The locus of analysis

dimension concerns itself with the relevant group of concern when it comes to making ethical

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decisions. The three loci of analyses (also from Kohlberg, 1981) include individual, local, and cosmopolitan.

Of note, however, is that these climates were developed within the business sector. As a result, the terminology used for the climates are tailored to the private sector context. This does not mean, however, that these climates cannot apply to the public sector, as evidenced by the few studies that have considered ethical climate within public and nonprofit organizations (Deshpande, 1996; Agarwal & Malloy, 1999; Rothwell & Baldwin, 2006; Malloy & Agarwal, 2010; Laratta, 2011). Instead, caution must be taken in the translation of these climates to the public sector in both how they are measured and how they are interpreted. Discussion of the translatability of the ethical climate measures can be found in Chapter Three.

This study includes the exploration of three of the nine ethical climates: "organization interest" (which is "company profit" in Figure 2.1), "team interest," and "rules, standard operating procedures." The main reason for this is that these climates are those at the local (organizational) level of analysis, which makes the organization the "referent group identifying the source of moral reasoning used for applying ethical criteria to organizational decisions and/or limits on what would be considered in ethical analyses of organizational decisions" (Victor & Cullen, 1988, p. 105). In other words, these ethical climates are concerned with the three ethical criterion as derived from the context of the organization—what Merton (1957) would call the "social system" within which an employee is embedded—as opposed to the individual employee herself or what could be called the "world at large." Choosing to work with these three climates does not imply that the other six climates cannot exist in a public organization (they may); it is simply to discriminate reasonably so as not to go beyond the scope of this study. While all nine

climates can be considered informal organizational level attributes, these three are particularly related to the organization, making them a natural choice for this project.

Organization Interest Climate

The first climate of interest is the "organization interest" climate, which is one of egoistic ethical values with a local referent group. Its original name—"company profit"—is not appropriate for the public context; its application is, however, leading to a change in terms. In this climate, organizational members are encouraged to base ethical decisions on what is best for the interests of the organization. Because it is expected that ethical climate exacerbates or mitigates the relationship between organizational structure and rule consequences, indirect relationships between structure and rule consequences are proposed.

As established, rule bending can be seen as detrimental to the organization because it goes against the predictable and consistent behavior that organizations are attempting to ensure with bureaucratic structure mechanisms. Rule bending may also be seen as unethical (Vardaman, Gondo, & Allen, 2012), but it may also occur when an employee feels they are doing so to better uphold the spirit of a rule or law (Sekerka & Zolin, 2007). Pro-social rule breaking happens for three reasons, all of which may be seen as beneficial to the organization: efficiency, assisting a coworker or subordinate, or customer service (Morrison, 2006). Assuming reasons for rule bending are unknown and knowing that organizations would desire to keep rule bending at a minimum, it is expected that this climate would be related to lower rule bending behavior.

Similarly, red tape can be detrimental to organizational performance (Pandey & Moynihan, 2006; Brewer & Walker, 2010b), but rules are seen as a beneficial part of

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organization structure (Weber, 1946; Cyert & March, 1963; Walsh & Dewar, 1987). It may be possible that, in the name of organizational interests, more rules are implemented in effort to reduce variation in behavior. Because of the potential volume in rules, which might be expected in an organization where its climate focuses on its own best interests, there may be to an increased number of rules that are viewed as red tape. Thus, we can expect that "organization interest" leads to perceptions of increased red tape.

Formalization and centralization, as components of bureaucratic structure, are seen as beneficial to the organization's interests because of their intended purpose of reducing variation in behavior and contribute to the power structure of the organization (Walsh & Dewar, 1987). It is logical to expect that these two components would work in tandem with an ethical climate focusing on organizational interests, which "organization interest" climate does. Given that formalization is expected to decrease rule bending and increase red tape perceptions, it is hypothesized that:

H_7: *Formalization will exert an indirect effect on rule consequences when accounting for "organization interest" climate.*

H_{7a}: *Formalization will have a negative, indirect effect on rule bending by increasing perception of an "organization interest" climate.*

H_{7b}: *Formalization will have a positive, indirect effect on perception of red tape by increasing perception of an "organization interest" climate.*

Centralization is expected to increase rule bending behavior, consistent with previous findings (DeHart-Davis, 2007); it is also expected to increase perceptions of an "organization interest" climate because centralized decision-making power may be seen as being in the best

interests of the organization resulting less room for behavioral variation. However, it is expected that "organization interest" climate will reduce rule bending. Since the effects of centralization and climate on rule bending are opposite one another, it makes sense to assume that centralization's effect on rule bending will only be mitigated by climate and not completely erased by it. Centralization is also expected to increase red tape perceptions because the need to ask for permission to take an action may negate the need for rules at all, thereby rendering them unnecessary or ineffective, as perceived by organizational members. This logic leads to the following hypotheses:

H_8: *Centralization will exert an indirect effect on rule consequences when accounting for "organization interest" climate.*

H_{8a}: *Centralization will have a positive, indirect effect on rule bending by increasing perception of an "organization interest" climate.*

H_{8b}: *Centralization will have a positive, indirect effect on perception of red tape by increasing perception of an "organization interest" climate.*

Team Interest Climate

"Team Interest" is a climate that focuses on the local level—the organization—and encourages benevolent reasoning for resolving ethical dilemmas. Benevolence[7] is a frame of ethics that considers what would benefit the most people (Vardaman, Gondo, & Allen, 2012). Unlike the "organization interest" climate, which focuses on the interests of the organization as a whole, "team interest" climate focuses on the organization's *members*. Thus, when dealing with ethical dilemmas, a "team interest" climate would encourage consideration of doing what is best

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[7] "Benevolence" was initially referred to as "utilitarian" in Victor and Cullen's first discussion of ethical climate (1987).

for the organization's employees on the whole or for the most number of members within the organization.

Pro-social rule breaking provides some insight into how "team interest" climate might influence rule bending. One of the reasons Morrison (2006) found for breaking rules is to help other co-workers or subordinates. Additionally, there is evidence that if people see someone behaving in a certain way, they might adopt that behavior as well, which is known as the "perception-behavior link" (Chartrand & Bargh, 1999). This could lead to solidarity amongst organization members if pro-social rule breaking is common enough. A "team interest" climate may lead to lower perceived red tape due to the perception that rules are in place to benefit all members of the organization.

This climate is a bit peculiar in its potential linkages to bureaucratic structure and rule consequences. It is possible that in a "team interest" climate, rules are administered consistently so as to benefit—or not benefit—all members of the organization equally. Formal rules may also be considered a way to protect all members of the organization because they lay out what is expected of those members, leading to the expectation that formalization increases perception of this climate. Centralization refers to the locus of authority in terms of decision making; in other words, the more centralization in an organization, the less input all members will have. One could argue that a "team interest" climate would encourage the use of input from all members, which would then possibly lead to what's best for all members. Therefore, centralization may not encourage a "team interest" climate.

There are several explanations for indirect effects of bureaucratic structure on rule consequences when "team interest" climate is involved. First, if formalization is expected to reduce rule bending but "team interest" climate is expected to increase it, and formalization is

expected to increase "team interest" climate, then rule bending may be increased when the climate is involved. Formalization is expected to positively influence both this climate and perceived red tape, but "team interest" climate is expected to reduce red tape perceptions. In this case, that "team interest" climate is expected to mitigate the direct effect that formalization has on red tape. Thus,

H_9: *Formalization will exert an indirect effect on rule consequences when accounting for "team interest" climate.*

H_{9a}: *Formalization will have a positive, indirect effect on rule bending by increasing the perception of a "team interest" climate.*

H_{9b}: *Formalization will have a negative, indirect effect on perception of red tape by increasing perception of a "team interest" climate.*

Centralization is hypothesized as reducing the perception of "team interest" climate due to the decision making structure within a highly centralized organization. Perception of greater levels of "team interest" climate is expected to increase rule bending behavior under the assumption that rule bending may occur with the interest of helping other organizational members. The logic follows, then, that by decreasing "team interest" climate, centralization would then indirectly decrease rule bending. Similarly, centralization is expected to directly increase perceived red tape while the "team interest" climate is expected to lower it. Because centralization is hypothesized as reducing the perception of this climate, and reduced perceptions of "team interest" would lead to perceptions of more red tape, centralization may indirectly increase perceptions of red tape through this climate. Therefore,

H_{10}: Centralization will exert an indirect effect on rule consequences when accounting for "team interest" climate.

H_{10a}: Centralization will have a negative, indirect effect on rule bending behavior by decreasing perception of a "team interest" climate.

H_{10b}: Centralization will have a positive, indirect effect on perception of red tape by decreasing perception of a "team interest" climate.

Rules and Standard Operating Procedures Climate

The third type of ethical climate of interest in this study is "rules and standard operating procedures" (hereafter, known as "rules/SOPs" climate). This climate operates at the principled level of ethics, which would argue that one follow rules when making ethical decisions (Victor & Cullen, 1988). In this particular case, because the referent group is the organization, employees are encouraged to follow organizational rules. Of the three climates studied, this is the one that is most compatible with structure and mitigating rule consequences. An ethical climate that encourages organizational members to rely on rules when making decisions will encourage rule abidance. Similarly, the value placed upon rules is likely to increase one's perception that rules are valuable and necessary. Given this, it is expected that this climate will reduce rule bending and red tape perceptions.

Because formalization is known as the extent to which rules are written, it is expected that there will be a positive relationship between formalization and "rules/SOPs" climate. Both formalization and this climate are expected to lead to decreased rule bending. As far as perceived red tape, there are contradictions: formalization is expected to increase it while this climate is likely to decrease it. Formalization is expected to increase perceptions of red tape,

simply because of the volume of written rules. It is also expected to increase perceptions of this particular climate, which is expected to decrease perceptions of red tape. When accounting for this climate, it is no longer anticipated that formalization will increase red tape perceptions, as expected when climate is not present, because the influence of the climate will potentially overpower the negative effects of formalization. Because formalization will place value on this climate, it is expected that:

H_{11}: *Formalization will exert an indirect effect on rule consequences when accounting for "rules/SOPs" climate.*

H_{11a}: *Formalization will have a negative, indirect effect on rule bending behavior by increasing perception of a "rules/SOPs" climate.*

H_{11b}: *Formalization will have a negative, indirect effect on perception of red tape by increasing perception of a "rules/SOPs" climate.*

Centralization limits decision making power and may operate in lieu of written rules. In cases of ethical decisions, centralized organizations may encourage discussion with a superior before taking action. Along the same line of thinking, a "rules/SOPs" climate will likely place greater value on rule abidance and perception of rules as being valuable. But centralization is foreseen as having a negative influence on the perception of this climate and is hypothesized to have positive relationships with rule bending and perceived red tape. Therefore, the higher the centralization, the lower the perception of this climate, and the higher the possibility of rule bending and perceived red tape. Thus,

H_{12}: *Centralization will exert an indirect effect on rule consequences when accounting for "rules/SOPs" climate.*

H_{12a}: *Centralization will have a positive, indirect effect on rule bending by decreasing perception of a "rules/SOPs" climate.*

H_{12b}: *Centralization will have a positive, indirect effect on perception of red tape by decreasing perception of a "rules/SOPs" climate.*

Conclusion

<Insert Table 2.1 here.>

Throughout this chapter, numerous hypotheses are produced that relate to rule bending and perceived red tape, both of which are consequences of rules. For easy reference, all hypotheses are listed in Table 2.1. To summarize, the following models are explored:

- Rule Bending = f (organizational structure, minority status, ethical climate)

- Red Tape Perception = f (organizational structure, minority status, ethical climate)

Specifically, two rule consequences—rule bending and perceived red tape—are proposed as being a function of formalization, centralization, an employee's minority status, and the organization's ethical climate. In particular, it is expected that ethical climate acts as a "mediator" between organizational structure and rule consequences, thereby causing formalization and centralization to exert indirect effects in addition to direct effects. In the following chapter, the data sources and analytical techniques utilized to test these relationships are explained.

Figure 2.1: Ethical Climate Typology

Level of Analysis

Type of Criteria		Individual (I)	Local (L)	Cosmopolitan (C)
Egoism	(E)	Self-Interest (EI)	Company Profit (EL)	Efficiency (EC)
Benevolence	(B)	Friendship (BI)	Team Interest (BL)	Social Responsibility (BC)
Principle	(P)	Personal Morality (PI)	Rules, Standard Operating Procedures (PL)	Laws, Professional Codes (PC)

Adapted from Cullen, Victor, and Bronson, 1993, p. 668. The original typology in Victor and Cullen, 1987, p. 56 included "utilitarian" instead of "benevolence." "Company Profit" is known in this study as "organization interest."

Table 2.1: List of Hypotheses

H_1:	The higher an organization's formalization, the lower the rule bending behavior.
H_2:	The higher an organization's formalization, the higher the perception of red tape.
H_3:	The higher an organization's centralization, the higher the rule bending behavior.
H_4:	The higher an organization's centralization, the higher the perception of red tape.
H_5:	Minority status will lead to lower rule bending behavior.
H_6:	Minority status will lead to lower perception of red tape.
H_7:	Formalization will exert an indirect effect on rule consequences when accounting for "organization interest" climate.
	H_{7a}: Formalization will have a negative, indirect effect on rule bending by increasing perception of an "organization interest" climate.
	H_{7b}: Formalization will have a positive, indirect effect on perception of red tape by increasing perception of an "organization interest" climate.
H_8:	Centralization will exert an indirect effect on rule consequences when accounting for "organization interest" climate.
	H_{8a}: Centralization will have a positive, indirect effect on rule bending by increasing perception of an "organization interest" climate.
	H_{8b}: Centralization will have a positive, indirect effect on perception of red tape by increasing perception of an "organization interest" climate.
H_9:	Formalization will exert an indirect effect on rule consequences when accounting for "team interest" climate.
	H_{9a}: Formalization will have a positive, indirect effect on rule bending by increasing the perception of a "team interest" climate.
	H_{9b}: Formalization will have a negative, indirect effect on perception of red tape by increasing perception of a "team interest" climate.
H_{10}:	Centralization will exert an indirect effect on rule consequences when accounting for "team interest" climate.
	H_{10a}: Centralization will have a negative, indirect effect on rule bending behavior by decreasing perception of a "team interest" climate.
	H_{10b}: Centralization will have a positive, indirect effect on perception of red tape by decreasing perception of a "team interest" climate.
H_{11}:	Formalization will exert an indirect effect on rule consequences when accounting for "rules/SOPs" climate.
	H_{11a}: Formalization will have a negative, indirect effect on rule bending behavior by increasing perception of a "rules/SOPs" climate.
	H_{11b}: Formalization will have a negative, indirect effect on perception of red tape by increasing perception of a "rules/SOPs" climate.
H_{12}:	Centralization will exert an indirect effect on rule consequences when accounting for "rules/SOPs" climate.

H_{12a}: Centralization will have a positive, indirect effect on rule bending by decreasing perception of a "rules/SOPs" climate.

H_{12b}: Centralization will have a positive, indirect effect on perception of red tape by decreasing perception of a "rules/SOPs" climate.

Chapter Three: Data and Methods

In order to test the hypotheses stated in the prior chapter, a mixed-methodological approach is taken. The inclusion of both qualitative and quantitative techniques provides more well-rounded insights into the relationships between organizational structure, minority status, ethical climate, and rule bending and perception of red tape. Data are used from two cities which provide better support for claims of generalizability than the use of a single context. This chapter addresses these sources of data as well as the methods of data analysis. It also contains specific information about survey items used, descriptive statistics of the responses, and demographic information about respondents.

Data Collection and Analysis

This study utilizes data from two local government workplace studies conducted in a Midwestern state. Due to guarantees of confidentiality, the names of the cities cannot be disclosed and instead will be referred to as City A and City B. The first city (City A) is a large city located within a metropolitan area that serves a population of roughly 150,000 residents, while the second (City B) is a slightly smaller city serving a population of about 125,000 residents. Proximity and convenience played a role in choosing these two cities, where interviews and surveys were conducted by a team of researchers studying at the University of Kansas.[8] In the following sections, information about qualitative and quantitative data and analyses are presented.

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[8] Leisha DeHart-Davis was the lead investigator for both projects. Several doctoral and undergraduate students took part in some capacity throughout the projects.

Qualitative Data and Analysis

<Insert Figures 3.1 and 3.2 here.>

In both cities, a small sample of employees participated in interviews. These semi-structured interviews included topics such as workplace rules, unions, satisfaction, and diversity.[9] Interview protocols for each city may be found in Figures 3.1 and 3.2. City A employees were interviewed between June and November 2009. Out of the 59 interviewees, 56 percent were male, while 44 percent were female. Forty four interviews were conducted in City B during the summer of 2010. Of these, 62 percent were male and 38 percent were female, which is roughly representative of the employee population. In all, 103 interviews were coded. Self-selection bias is present, as it is with all interview samples, so results should be generalized with caution.

Coding the interview transcripts was done using Microsoft Excel.[10] This method was chosen due to time constraints and familiarity with the program. The interviews were first coded using broad themes related to the variables of interest, while also open coding for themes not directly related to the research questions of this study. After coding each interview once, responses were sorted according to codes, and recoded and specified further when necessary. For example, any mention of "rules" broadly was coded as well as specifically in terms of what the interviewee was saying about the rules (such as "inconsistent application" or "written"). More detail about the coding process is available in the Appendix. Two caveats are in order. First, because these interviews were conducted before development of the research questions stated in the first chapter, they do not specifically address the relationships of interest in this study. Therefore, the qualitative data here are used as a supplement to support conclusions and

[9] The topic of diversity was included in City A interviews only.
[10] Interview transcripts were initially in Microsoft Word format and subsequently transferred to Microsoft Excel files.

future research directions where necessary. Second, interview protocols did not include anything about ethical climate; as a result, qualitative data on ethical climate is not available.

Quantitative Data and Analysis

Direct tests of the hypotheses rely on quantitative data collected from both cities. In both contexts, all employees were asked to participate in a workplace survey. The survey asked questions about one's perception of workplace rule attributes and effectiveness, unions, ethical climate, and diversity.[11] Both surveys began with a letter from city management encouraging participation. Survey invitations were distributed through email shortly thereafter. These invitations guaranteed confidentiality of individual responses and provided a hyperlink through which respondents could access the survey. Employees traditionally without internet and/or computer access, such as firefighters and public works employees, were mailed a paper version of the survey to their home address. Along with the survey, these packets included a cover letter guaranteeing confidentiality of results, a stamped return envelope addressed to the research team, and a postcard with an identification number that respondents were asked to mail separately. The purpose of this postcard was for the research team to be able to track respondents without linking their name and results while also to prevent unnecessary follow-up with those who had completed the survey. Response rates of 51 percent in City A (n = 1,088) and 50 percent in City B (n = 577) resulted from this process. A combined 1,665 observations are available for quantitative analysis and the respondent demographics are representative of the two cities' employee populations. See Table 3.1 for respondent demographic data. Similar to interview participation, participation in the survey was a choice for city employees, indicating that there is

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[11] Ethical climate and diversity items were included in the City A survey only.

some self-selection bias. Quantitative results—much like the qualitative results, as stated above—should be generalized with caution.

<Insert Table 3.1 here.>

Structural equation modeling (SEM) with MPLUS software (Muthen & Muthen, 1998-2012) is used to analyze the data. There are several advantages to using SEM. The first is that it is useful for measuring perceptions, which in this case, are in the form of survey data responses. Because perceptions are not truly observable, using several observable items with shared variance contributing to a latent, unobservable construct is appropriate. For example, as shown below, almost every variable in my analysis includes several measures; instead of collapsing them into a scale, SEM will analyze the covariance structure of the manifest variables to estimate how much shared variance each indicator contributes to the singular latent construct. Measurement error is typically corrected for by the use of several items for a single construct (Kline 2005), which is the second benefit of SEM. The use of several items to measure a single construct is the third benefit. Using multiple measures allows us to capture a latent phenomenon better that a single measure, since we can assess construct validity more appropriately. A fourth benefit is how SEM can be used to treat missing data. Instead of list-wise deleting any observations with missing responses, which loses a lot of valuable data, MPLUS fills in that missing data using Full Information Maximum Likelihood (FIML), a technique that uses the covariance structure of the data itself to fill in missing responses. This allows for missing data to be imputed without compromising the integrity of the dataset. Lastly, SEM allows analysis to test the indirect effects of ethical climate, which is hypothesized to be a mediator variable.[12]

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[12] True mediation can only be tested over time using longitudinal data. Since the data here are cross-sectional, it is best to refer to ethical climate as causing indirect effects. However, the term "mediator" is still used to differentiate ethical climate's impact on these rule consequences from those of the independent variables.

Quantitative Measures

Several survey items are used to measure each theoretical construct in this analysis. To reiterate, the dependent variables in this study are rule bending and perception of red tape; independent variables of interest are formalization, centralization, and minority status; the mediation variable is ethical climate; and a control variable—nonconformity—is used for the rule bending models.

Rule bending is measured as one's willingness to bend rules. Adapted from DeHart-Davis (2007), respondents indicated their agreement with the following statements using a five-point scale:

- bendcit: I will bend a rule if it helps me do a better job for the city.

- bendjob: I will bend a rule if it makes my job easier.

- bendcom: I will bend a rule if it helps to make [the community] a better community.

To study red tape, many scholars turn to the General Red Tape (GRT) scale (See Pandey & Scott, 2002 and Bozeman & Feeney, 2011 for reviews of other measures used in empirical studies of red tape). This measure of red tape is worded as follows (Rainey, Pandey & Bozeman, 1995; Bozeman & Feeney, 2011, p. 85):

If red tape is defined as burdensome administrative rules and procedures that have negative effects on the organization's effectiveness, how would you assess the level of red tape in your organization?

Respondents are asked to answer this question by providing a value between zero and ten. The present study utilizes a new measure of red tape, which includes responses to several different

items that ask about characteristics that are part of Bozeman's operational definition of red tape (2000, p. 12): "rules, regulations, and procedures that remain in force and entail a compliance burden but do not advance the legitimate purposes the rules were intended to serve." Three important things stand out in this definition: rules as burdensome or not, rules as necessary or not, and rules as effective or not. While "necessary" is not specifically referenced in the definition, a rule that is burdensome that does not achieve its intended purpose can be considered an unnecessary rule. With this in mind, three measures drawn from green tape research (DeHart-Davis, 2009b) are included to measure red tape. The survey asked, "How would you describe policies and procedures in your work division between the following opposite characteristics?" to which respondents using a five-point scale with one and five being the extremes.

- burd1r: not burdensome to burdensome

- nec1r: necessary to unnecessary

- eff1r: effective to ineffective

This measure of perceived red tape—a variant of the original stakeholder red tape construct—has several distinct advantages. The first is that it contains more than one response to a single indicator, therefore allowing us to use multiple measures for a single construct. The second is that it does not include the term "red tape" in any of the items respondents are asked. The term has "strong connotative meanings" (Bozeman & Scott, 1996, p. 1), which might skew the responses. Feeney (2012) tested four different red tape items to explore whether wording influenced variation in perceptions of red tape, an assertion supported by her findings. She concluded that wording is important when measuring red tape but is "unable to say whether these are interaction, mediating, direct, or delayed effects" (Feeney, 2012, p. 440) and suggested that future research remove the term "red tape" from the survey items. By using the three items listed

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above, the measure in this study meets that call. Third, this measure gets back to the heart of what red tape has been defined as in the literature. By revisiting the components of the definition, this measure attempts to capture the essence of what the operational definition calls red tape. Lastly, the use of perceptual measures has benefit:

> While perceptual measures do not directly represent actual organizational factors, we assume that the perceptions of respondents are systematically linked to organizational realities…We argue that perceptions of organizational members actually matter in organizations and directly affect individual and organizational behavior. For instance, the perception of red tape is often more important than actual objective measures of red tape in organizations. (Moon & Bretschneider 2002, p. 283)

Therefore, measuring red tape through perceptions is not inferior to an objective measure; Moon and Bretschneider suggested that perceptions of red tape are accurate reflections of reality, which this new measure captures.

Measures of organizational structure in this study include formalization and centralization. To measure formalization, three items were utilized to gather the extent to which rules are written. These items were drawn from DeHart-Davis (2009b) unless otherwise stated.

- writ1 (reversed): Respondents answered the following question with a five-point scale representing a spectrum with "written" on one end and "unwritten" on the other: "How would you describe policies and procedures in your work division between the following opposite characteristics?"

- writ2: Adapted from Aiken and Hage (1968), respondents used a five-point scale to indicate their level of agreement with the following statement: "Whatever situation arises, my work division has written policies and procedures to follow."
- writ3 (reversed): Respondents indicated the problematic nature of unwritten policies and procedures by responding "not a problem," "somewhat a problem," or "major problem."

Centralization items are drawn from Aiken and Hage (1968), which asked respondents to use five-point scale indicating strength of agreement with the below statements.

- censuper: I must check with my supervisor before I do almost anything.
- cenhigh: Even small matters have to be referred to someone higher up for a final answer.
- cendisc: In general, an employee wanting to make their own decisions in my workplace would be quickly discouraged.

The individual characteristic included is minority status, which consists of a dummy variable that includes both gender and race. The rationale behind this categorization is drawn from Portillo (2012) and Crenshaw (1989).

- whtmale: White Male (excluded from analysis)
- whtfem: White Female
- minmale: Minority Male
- minfem: Minority Female

Ethical climate is included in this analysis as a variable through which formalization and centralization exert indirect relationships upon rule bending and red tape perceptions. All ethical climate items were drawn from Victor and Cullen's (1987) Ethical Climate Questionnaire

(ECQ). Three ethical climates are represented in this study: "organization interest" (EL), "team interest" (BL), and "rules and standard operating procedures" (PL). Respondents indicated the accuracy of each statement using a six-point scale ranging from completely false to completely true.

- EL1: People are expected to do anything to further the [organization's] interests.

- EL2: Work is considered below standard only when it hurts the [organization's] interests.

- BL1: The most important concern for the [organization] is the good of all its members.

- BL2: Our major consideration is what is best for everyone in the [organization].

- BL3: People are very concerned about what is generally best for members of the [organization].

- BL4: What is best for each individual is a primary concern in the [organization].

- PL1: It is very important to follow strictly the [organization's] rules and procedures here.

- PL2: Everyone is expected to stick by [organization] rules and procedures.

- PL3: Successful people in the [organization] go by the book.

- PL4: Successful people in the [organization] strictly obey the organization's policy.

While previous research utilizing the ECQ has resulted in empirically derived climates by using techniques such as exploratory factor analysis and principal components analysis (e.g. Victor & Cullen, 1987, 1988; Cullen, Victor, & Bronson, 1993; Wimbush, Shepard, & Markham, 1997), it is assumed here that the theoretical climates stand on their own. Peterson (2002, p. 313)

concluded that his own analysis "revealed that the hypothesized nine-dimension model provided as good or even better fit to the data than the five empirically derived models." Since only respondents in City A were asked ethical climate questions, models exploring the influence of ethical climate do not include both contexts.

Finally, nonconformity has been found to affect one's willingness to bend rules (DeHart-Davis, 2007) and therefore is included as a control variable in the models predicting rule bending. Measures of nonconformity were adapted from Child and Ellis (1973). The survey asked, "Where would you place yourself in between the following characteristics?" Respondents answered on a five-point scale with one and five being the extremes.

- uquest: accepting authority to questioning authority

- ubuck: going along with the system to bucking the system

- ureb: conforming to rebelling

Descriptive statistics for each item, along with the Cronbach's Alpha for each variable (excluding minority status), are included in Table 3.2.

<center><Insert Table 3.2 here.></center>

Conclusion

In this chapter, two major components were covered: data collection and data analysis. While the previous chapter provided the theoretical backing for hypotheses, this chapter explained how the variables within the models are operationalized in order to test the relationships of interest. Using two types of data—qualitative and quantitative—is beneficial because both methods have their strengths and weaknesses and utilizing them together provides

additional credence to the results. The remainder of this dissertation presents results and

discussion.

Figure 3.1: City A Interview Protocol

My name is_____. I am working on an approved research study that is a partnership between [City A] and the University of Kansas regarding employee perspectives on [City A] workplace. This study will provide [City A] managers with confidential feedback directly from employees on a variety of issues, including the workplace environment, workplace diversity, and organizational rules. The study has two parts: interviews like this one, with a randomly invited group of employees, and a mail survey of all [City A] employees. We expect the mail survey to take place this fall.

Thank you for your willingness to be interviewed. Before we begin, I need to provide you with this interview consent form, which outlines your rights as a research participant. These rights include participating voluntarily; having your results held in confidence, so that nothing you say will be linked to you personally; and asking any questions you might have about the study. Do you have any questions about the study? Please sign here that you have received the form.

Before we begin, I would like to tape record our conversation, so that we can transcribe your thoughts as accurately as possible. The transcripts will be available only to the research team and the tape erased after we transcribe it. Do you mind if I record the interview? (YES/NO). If there is anything you don't want me to record, just let me know and I will turn off the recorder. The interview results will be reported to [City A] officials in terms of the themes that arise and under no circumstances will your name or identifying characteristics be included in this report. If you are interested, here is an example of how interview results were reported in previous studies. <Show the Powerpoint presentation that summarizes interview results from previous studies.>

Is it all right for me to turn on the recorder now?

1. First, I would like to get more familiar with your role here at [City A].
   a. What do you do?
   b. What led you to take this job?

2. What do you find most rewarding about your job? What do you find least rewarding?

3. All of our jobs have rules. Please describe an example when rules made your jobs easier. Please describe another example when rules made your job more difficult.

4. Tell me about the rules in your workplace.
   a. Does your workplace have a lot of rules or few rules?
   b. What kind of rules do you have?

5. Now I would like to ask you about rules in your workplace that you think are good, however you define that term. Rules can be organizational policies and procedures, ordinances, regulations, informal requirements. What are those rules and what makes them good in your mind?

6. Now I want to ask you about rules in your workplace that you think are bad, however you define that term. Rules can be organizational policies and procedures, ordinances,

regulations, informal requirements. What are those rules and what makes them bad in your mind?

7. Now I would like to change the topic of conversation to workplace diversity. Workplaces can be diverse in many ways. The obvious ways are race and gender, but they can include religion, income, political views, region, age, city vs. county function, etc. How diverse is your workplace?

8. How does this diversity affect the workplace?

9. From your perspective, is diversity a priority for [City A]? Are there ways in which [City A] could place a higher priority on diversity?

10. Final Question: Is there anything else that you would like to add?

Figure 3.2: City B Interview Protocol

1. Background
   a. Organizational rules
   b. Fifth city
   c. Win-win: employee perspectives, scholarly data
   d. Interviews with 50 randomly selected people
   e. Surveys of all
2. Interview Consent Form
   a. Confidentiality
   b. Voluntary
   c. Ask questions
   d. Show interview presentation summary
3. Background
   a. What do you do?
   b. What led you to job with the city?
   c. Professionalism in workplace. What does it mean?
   d. What have you learned about public service in this job?
   e. Organizational rules, broadly construed: ordinance, policy, procedure
      i. Good Rules
      ii. Bad Rules
4. Anything else you would like to share?

Table 3.1: Demographic Information of Survey Respondents (in percent)

	Total	City A	City B
Gender			
Female	41.9	45.9	34.4
Male	57.0	52.7	65.1
Missing	1.1	1.5	.5
Race			
Black	14.6	17.7	8.7
Hispanic	7.2	7.4	6.7
White	73.0	68.4	81.7
Other (Asian, Pacific Islander, etc)	3.4	4.4	2.4
Missing	1.8	2.5	.5
Minority status[1]			
White Male	45.3	40.6	53.8
White Female	27.8	27.8	27.9
Minority Male	11.3	11.3	11.2
Minority Female	13.9	17.8	6.6
Missing	1.8	2.5	.5

[1]Minority status is a dummy variable included in this analysis and takes into account both race and gender characteristics.

Table 3.2: Descriptive Statistics

Variable	Description	Range	Total Mean	Total SD	City A Mean	City A SD	City B Mean	City B SD
Rule Bending (.851) [1]								
bendcit	I will bend a rule if it helps me do a better job for the city.	1 – 5	2.87	1.11	2.93	1.10	2.83	1.12
bendjob	I will bend a rule if it makes my job easier.	1 – 5	2.72	1.08	2.51	1.03	2.87	1.10
bendcom	I will bend a rule if it helps to make [the organization] a better place.	1 – 5	2.50	1.07	2.88	1.09	2.24	0.97
Red Tape (.718)								
burd1r	not burdensome to burdensome	1 – 5	2.78	1.12	2.73	1.15	2.87	1.07
nec1r	necessary to unnecessary	1 – 5	2.18	1.10	2.26	1.17	2.04	0.97
eff1r	effective to ineffective	1 – 5	2.67	1.06	2.78	1.12	2.60	1.02
Formalization (.608)								
writ1 (reversed)	unwritten to written	1 – 5	3.75	1.14	3.64	1.21	3.95	0.99
writ2	Whatever situation arises, my work division has written policies and procedures to follow.	1 – 5	3.36	1.07	3.32	1.10	3.42	1.02
writ3 (reversed)	Unwritten rules are a major problem, somewhat a problem, not a problem	1 – 3	2.28	0.70	2.31	0.72	2.23	0.65
Centralization (.892)								
censuper	I must check with my supervisor before I do almost anything.	1 – 5	2.52	1.18	2.66	1.22	2.25	1.04
cenhigh	Even small matters have to be referred to someone higher up for a final answer.	1 – 5	2.58	1.22	2.71	1.27	2.33	1.07
cendisc	In general, an employee wanting to make their own decisions in my workplace would be quickly discouraged.	1 – 5	2.66	1.17	2.83	1.21	2.35	1.04
Minority status								
whtmale	White male	0 – 1	0.46	0.50	0.42	0.49	0.54	0.50
whtfem	White female	0 – 1	0.28	0.45	0.29	0.45	0.28	0.45

minmale	Minority male	0 – 1	0.12	0.32	0.12	0.32	0.11	0.32
minfem	Minority female	0 – 1	0.14	0.35	0.18	0.39	0.06	0.25
Ethical Climate: "Organization interest" (.606)								
EL1	People are expected to do anything to further the [organization's] interests.	1 – 6	3.46	1.34	3.46	1.34	n/a	n/a
EL2	Work is considered below standard only when it hurts the [organization's] interests.	1 – 6	3.21	1.47	3.21	1.47	n/a	n/a
Ethical Climate: "Team Interest" (.876)								
BL1	The most important concern for the [organization] is the good of all its members.	1 – 6	3.38	1.42	3.38	1.42	n/a	n/a
BL2	Our major consideration is what is best for everyone in the [organization]	1 – 6	3.57	1.42	3.57	1.42	n/a	n/a
BL3	People are very concerned about what is generally best for members of the [organization].	1 – 6	3.62	1.25	3.62	1.25	n/a	n/a
BL4	What is best for each individual is a primary concern in the [organization].	1 – 6	3.23	1.32	3.23	1.32	n/a	n/a
Ethical Climate: "Rules and SOPs" (.827)								
PL1	It is very important to follow strictly the [organization's] rules and procedures here.	1 – 6	4.48	1.16	4.48	1.16	n/a	n/a
PL2	Everyone is expected to stick by [organization] rules and procedures.	1 – 6	4.51	1.32	4.51	1.32	n/a	n/a
PL3	Successful people in the [organization] go by the book.	1 – 6	3.53	1.30	3.53	1.30	n/a	n/a
PL4	Successful people in the [organization] strictly obey the organization's policy.	1 – 6	3.70	1.26	3.70	1.26	n/a	n/a

Nonconformity (.871)								
uquest	accepting authority to questioning authority	1 – 5	2.28	1.11	2.23	1.15	2.30	1.09
ubuck	going along with the system to bucking the system	1 – 5	2.27	0.92	2.27	0.98	2.28	0.88
ureb	conforming to rebelling	1 – 5	2.27	0.90	2.26	0.89	2.28	.89

[1]Cronbach's Alphas based on values within the dataset including both cities are provided in parentheses where applicable. Alphas for Ethical Climate include City A only.

Chapter Four: The Impact of Organizational Structure, Minority Status, and

Ethical Climate on Rule Consequences

The previous chapter presented the data sources and methods to be used in order to test the hypotheses developed in Chapter Two; this chapter addresses the results. First, there is discussion about the models testing the influence of organizational structure and minority status on rule consequences without the inclusion of ethical climate. To supplement the quantitative models, excerpts from qualitative interviews are included where appropriate. Following, results of the models including ethical climate are presented and discussed.

All statistical models were conducted using MPLUS software (Muthen & Muthen, 1998-2012). Survey items were indicated as being "ordered categorical" since the distance between each possible survey item response is not a definite or consistent amount. Because of this specification, the models were estimated using robust weighted least squares estimation (WLSMV) with delta parameterization (Muthen & Muthen, 1998-2012). All constructs are measured with three indicators (survey items), with the exception of the ethical climate constructs: "organization interest" includes only two, while "team interest" and "rules/SOPs" included four. Minority status is measured as a dummy variable that crosses race and gender characteristics. The largest group, white male, was left out of all analyses.

Influence of Bureaucratic Structure and Minority Status on Rule Bending Behavior

<Insert Figure 4.1 here.>

The theoretical model for the relationships between structure, minority status, and rule bending is presented in Figure 4.1. It is expected that formalization will lead to decreased rule bending behavior, while centralization increases it. Minority status is hypothesized to be

associated with lower rule bending behavior. There is an expectation that nonconformists will

bend rules more than those who consider themselves conformists. Lastly, it is expected that

centralization and formalization will have a negative correlation and that there are no statistical

differences between the two cities on any variable.

Results

<div align="center"><Insert Figure 4.2 here.></div>

Results of this model are shown in Figure 4.2, which includes standardized parameter

estimates. The first thing to address is model fit. As the fit statistics in the figure indicate, the

data appropriately fit the theoretical model. "Rules" within the structural equation modeling

literature specify that models should have a Root Mean Square Error of Approximation

(RMSEA) no greater than 0.08 and a Comparative Fit Index (CFI) and Non-Normed Fit Index

(NNFI) each greater than 0.90 (Marsh, Hau, & Wen, 2004). This model has an RMSEA of

0.065, a CFI of 0.981 and an NNFI of 0.974 which all indicate sufficient model fit. The second

thing to address is significance. All parameters (paths between the latent constructs) are

significant with the exception of centralization. Because the indicators were specified as

"ordered categorical" within the model, weighted least squares is utilized as the estimator. In

this case, to test for significance, the "Difftest" command is used: all paths are separately

constrained to zero to see if there is a significant loss of model fit according to the difference in

chi-square values. When a significant loss of model fit occurs, the parameter is deemed

significant to the model. When a constraint does not render a significant loss in model fit, that

parameter is deemed non-significant and can be trimmed from the model. In this case,

centralization as a predictor of rule bending was not significant, which is why it is represented as

a dashed line. The results of these regression parameter significance tests for this model are found in Table 4.1.

<div align="center"><Insert Table 4.1 here.></div>

Hypotheses relating to formalization and minority status are supported. Higher levels of formalization lead to decreased rule bending behavior. Similarly, minority status influences rule bending behavior: white females, minority males, and minority females are all less likely to bend rules. As expected, nonconformity, which was included as a control variable, leads to increased rule bending behavior. Also as expected, formalization and centralization are negatively correlated at -0.239, which confirms prior findings (Pugh, et al., 1968). Centralization, which was expected to increase rule bending behavior, is not significant. While there was no anticipated difference between the two cities included in analysis, the results show that employees of City B, the group included as the dummy variable, are less likely to bend rules than employees in City A.

Discussion

The results of this model indicate that more formalization—organizational rules that are characterized as being written—significantly reduces rule bending. Therefore, as a control mechanism, formalization tends to work in decreasing deviant and unpredictable behavior, which in this case, is rule bending. The link between centralization and rule bending is not significant, and therefore, it is unclear based on this analysis whether centralization is an effective or ineffective control mechanism in terms of deterring rule bending behavior. Minority status has a significant influence on one's willingness to bend rules. Women, white and minority, as well as

<div align="center">64</div>

minority men, are less likely to bend rules. This indicates that rules, to them, may work as a source of legitimacy, which is supported in the literature (Walsh & Dewar, 1987; Portillo, 2012).

<Insert Table 4.2 here.>

Some control variables brought about some interesting relationships. See Table 4.2 for the relationships of control variables on latent variables in the model. Because minority status is a dummy variable, it is modeled as "control" and is regressed on all latent constructs within the model. This results in two interesting findings. White females are less likely to consider themselves as nonconformists and are likely to view lower levels of formalization. Because white women are less likely to rule bend, it makes sense that they may also be less likely to consider themselves to have nonconforming personalities. On the other hand, it is unclear why they may view lower levels of formalization.

It was expected that there would be no difference between the cities in terms of rule bending behavior or perception of any latent variables in the model. However, employees of City B perceive there to be lower levels of centralization and higher levels of formalization than employees of City A. This finding further validates the expected relationship between centralization and formalization, which has a statistically significant negative correlation. Therefore, higher formalization is associated with lower centralization and vice versa. The conclusion that one city (City B) is less centralized and more formalized than the other (City A) also lends support for the finding that City B employees are less likely to bend rules than those of City A, indicating that higher formalization does indeed work to keep rule bending behavior down.

As mentioned in Chapter Three, interviews were not conducted with these relationships in mind. However, interview data does give us some insight into rule bending. There seem to be

two views of rule bending. One view is that it sometimes makes sense to bend rules. An interviewee of City B stated, "Interns are not allowed to wear shorts in 100 degree heat. But keepers can wear shorts. If you are volunteering, you cannot wear shorts. I told my intern to wear shorts anyway" (May 29, 2010). This employee is bending rules in the name of helping a coworker or subordinate, who, according to the rules, would have to wear long pants on a very hot day. This type of rule bending is consistent with one of Morrison's reasons for pro-social rule breaking (2006): that which is done for the sake of helping a subordinate or coworker. Similarly, another City B employee stated that "Sometimes you may have a rule to follow, but the situation dictates that you break it… It's a matter of judgment. But if you've ever won an award, you've probably broken an SOP" (n.d.). This firefighter is referring to rules that govern when one should or should not enter a burning building. His example illustrates another reason for pro-social rule breaking, which is in the name of customer service (Morrison, 2006). A third employee from City B said: "You should enforce the rules, but if you don't, have a good reason" (May 29, 2010). This employee's philosophy, along with the previous examples, show that rule bending is not always done in self-interest, as some scholars have implied (Thompson, 1977; Vardaman, Gondo, & Allen, 2012; Robinson & Bennett, 1996; Griffin & Lopez, 2005). Future research should consider more detailed exploration into the reasons for rule bending amongst public sector employees.

The other view of rule bending tends to be that it is unfavorable when others partake in it. Many interviewees expressed dissatisfaction with inconsistency in rule implementation:

- "I like to follow rules and it's most fair if the rules are set forth. All of a sudden exceptions are being made. We can't say anything when rules aren't followed." (June 15, 2009, City A employee)

- "We are not following some stuff in the city codebook, which bothers me. It's a philosophical thing, it could come up in a lawsuit." (August 28, 2009, City B employee)

The problem of inconsistent application of rules is a rather prominent theme within the interviews. Since rule bending in this study is considered a behavior that one does themselves, the rule bending behavior of others is not something that is accounted for in the models. Instead, this theme is something that future research should investigate.

Lastly, before turning to the results of the red tape model, one employee's view of rules and rule bending proves noteworthy: "Let's see, …I don't see many rules until I break them. I wouldn't say that there are really good ones or bad ones, there just aren't any until you break them" (n.d.). This employee of City B seems to acknowledge that rules exist but only recognizes them when they are broken. This indicates that rules are a normal and accepted part of the job and only become an issue when there is tension and a consideration to break a rule one should follow. This point is particularly interesting because public organizations are so rule-laden that perhaps rules are not a consciously significant part of the job: they just simply are.

Influence of Bureaucratic Structure and Minority Status on Perception of Red Tape

<Insert Figure 4.3>

The theoretical model depicting the relationships between structure, minority status, and perception of red tape is presented in Figure 4.3. Here, it is expected that both formalization and centralization will lead to increased red tape perceptions. Minority status is expected to be associated with less perceived red tape. Like the first model, it is expected that centralization and formalization will have a negative correlation and that there are no statistical differences between the two cities on any variable.

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Results

<Insert Figure 4.4 here.>

<Insert Table 4.3 here.>

Results of this model are shown in Figure 4.4, which includes standardized parameter estimates. Model fit indices indicate that the data appropriately fit the theoretical model. As indicated in the figure, this model has an RMSEA of 0.053, a CFI of 0.989 and an NNFI of 0.983, all of which fall within the guidelines. Additionally, all parameters are significant according to the tests of significance by comparing chi-square values. Regression parameter significance test results are found in Table 4.3.

<Insert Table 4.4 here.>

Hypotheses relating to centralization are supported. Higher levels of centralization lead to higher levels of perceived red tape. In all minority status categories but minority female, which is not significant, there is a perception of less red tape. See Table 4.4 for the influence of minority status on other latent constructs in the model. As expected, formalization and centralization are negatively correlated at -0.236, which is also consistent with the rule bending model. Formalization, which was expected to increase red tape perceptions due to the prevalence of written rules, is significant in the opposite direction: the higher the formalization, the lower the perception of red tape. As expected, there is no significant difference in red tape perceptions across the two cities.

Discussion

It was hypothesized that there would be a positive relationship between formalization and perceived red tape with logic indicating that the more written rules there are, the higher the possibility of rules being inconsistent with other another. It was assumed that more rules could possibly lead to rule-evolved red tape. Findings indicate that formalization actually leads to lower levels of perceived red tape. This finding is supported by several interview excerpts in which respondents express dislike toward unwritten rules:

- "Unwritten rules are what is bad. They are subjective and at the discretion of the director. They cause problems and they are not in black or white." (n.d., City A employee)

- "Most of the rules in my department when I came in… I would say most, there was a lot that was written, but there was a lot more that *needed to be written*. And that's what we've been addressing, to try to give us some structure… that's what I'm trying to do is to give us some sense of order with what we got, because we all know money's tight right now, so… I'm not trying to create unnecessary rules, I'm just trying to give what we have structure." (October 16, 2009, City A employee, emphasis added)

- "That's one thing that is kind of iffy in that department, because we don't really …I couldn't get out of a piece of paper and tell you what the rules are, because they don't really have any. That's another thing sometimes I have an issue with because some weeks you have to be there at eight o'clock, and some weeks it's okay to be two minutes late, other what weeks it's not. You need to have [rules] so

I know what they are, and we've never really had them…. It's not real clear-cut."

(n.d., City B employee)

- "Employees come to HR for answers. But when they come for rules in their specific departments, it's difficult because we don't have their rules in writing. It's just something their department does. This has a negative impact because they are not getting information from HR. There is distrust between employees and supervisors. The supervisors who do what they want, they don't follow the rules. I have issues with that. It sets up the organization for lawsuits and it's not fair." (June 15, 2009, City B employee)

In all of these responses above, unwritten rules are seen as negative or as an impediment. One employee from City B stated:

"We have SOPs that we have to go by, there's a lot. My biggest job is to see that guys are following SOP. Every day you remind them. It's constant. Unwritten rule that once you get on with city you'll never be fired. I'm almost believing that because you have to almost kill somebody. HR will protect [an] employee too far, overly protect them, which ties our hands because if we have a problem employee, we are going to keep him unless he does something." (June 8, 2009)

To this employee, an unwritten rule—that you can never be fired—is a barrier to overall performance because it makes it difficult to get rid of problem workers. Another employee addressed the need for written rules to avoid "organizational phantoms":

"I think it helps to make sure that you have the policies established, that you have something down in writing. A lot of time, you have policy that is up in your head

passed down from one person to another. So that only helps with all these so that

there's something in writing." (n.d., City B employee)

Organizational phantoms are those who create rules but are no longer with the organization.

Sometimes those rules become red tape because over time, their usefulness has lessened

(Bozeman 2000). This employee indicates that having rules in writing can even prevent

organizational phantoms from contributing to red tape.

In all, interviews indicate that employees find value in written rules—and in some cases,

prefer written to unwritten rules—so as to avoid issues such as misunderstanding or

miscommunication. Because the quantitative model indicates that perceived formalization

reduces red tape perceptions, it seems as though formalization is one way to combat red tape as

perceived by employees.   Written rules may still contribute to organizational red tape, but in the

case of perceptions, written rules are beneficial.

This model supports the hypothesis that centralization leads to increased perceptions of

red tape, implying that more centralization may lead to rules being viewed as useless or

unnecessary because of the need for authorization.[13] Public employees who must acquire verbal

consent may view that rules are simply unnecessary because that verbal consent trumps the need

for rules, whether written or unwritten. This finding also has some qualitative support. One City

B employee expressed concern with departmental inconsistencies:

"There are more department policies than official city policies. I think we would

be better served with a comprehensive set of rules and policies city-wide. You get

variance without centralized rules. There are things in my department that are not

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[13] While the scholarly definition of centralization refers often to the locus of decisionmaking power within an
organization, it helps to keep in mind that the items used to measure centralization in this study all refer to
supervisor consent.

allowable that are perfectly acceptable in other departments. I think that's a

problem. One thing I hear is, what do you mean we can't do this, they do this over

there? Well I don't deal with [that] contract." (n.d.)

When this employee mentions "centralized," it seems as though he is referring to a more

structured set of policies rather than verbal authorization but his intent does not go

unnoticed: what is okay for one area may not be for another and that variation likely

results from supervisor consent within different parts of the city. Interestingly, an

employee from City A echoed this sentiment:

"A lot of rules depend on the attitudes of the supervisor. They've gotten a lot

better with it than the previous years. This supervisor might be lenient, this one

staunch." (June 17, 2009)

The context within which one works is partly decided by the supervisors, the ones from

whom centralization flows. In both of these cases, centralization can pose a problem for

rules, which leads to the logical conclusion that perceptions of rules when centralization

is rampant may tend toward red tape. This is indicative of what Manning (1977) was

suggesting: that interpretation of rules is dependent upon context.

Further frustration with centralization is shown by a City A employee, who also

addresses its tension with formalization:

"What makes me mad about the rules is that [City A's] human resources

department writes up by-laws, which you call rules, regulations. When they write

out a rule at the end of it they'll say 'upon supervisor discretion.' So to me, that's

not making out a rule because you still open up the door for the supervisor to do

what she wants to do. So if you're going to make up a rule you need to make it be

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where there is no supervisor discretion. That way when it becomes a problem, we

can both refer to the book and get the same answer from the book as opposed to

now, where the book states the rule and also states that the supervisor can make

the decision. I think that's unfair coming from the human resources department."

(n.d.)

He is discussing written rules that leave discretion for supervisors but his description of this

discretion leads to the belief that discretion—read, centralization in this context—tends to trump

in many cases. A cop from City A also indicated frustration with centralization:

 "Are there any rules that strike me as odd? There's a little bit of

micromanagement here, where I came from, for instance, if someone needed the

car towed, I could order a tow truck and they'd come here and pick the car up and

drive it away; well here you have to ask permission for a sergeant to approve a

tow for you to what needs to be done. So you have to jump through that chain of

command. You have to ask permission to call somebody if they're at home, like

for instance, their car appears to be stolen out of the middle of nowhere you say

'can I call this person at home and see if they know where they're cars at?' Well

that to me is something that I should be able to do without asking permission, if I

can shoot somebody without asking permission, why don't I have the authority to

call somebody? That seems pretty logical to me, I think I should be given the

discretion to do those sort of things." (n.d.)

This employee feels that when there is a need to ask permission for seemingly simple things,

there is inefficiency. He goes on further to describe that this practice is a result of somebody

once taking advantage of towing a vehicle, which caused the department to institute a policy of

getting permission first. He refers to this change as "mass punishment for everybody," which he does not agree with, stating that the issue should have been addressed before moving on. This was not an uncommon assertion: several employees mentioned frustration with the creation of rules in order to address incidents in which rules were violated or abused. This frustration may possibly contribute to higher perceived red tape.

Finally, a third employee addressed the relationship between centralization and formalization in a different light:

> "When I'm becoming stressed from people coming into my office with the same issue or problem, I'm a participative manager. I don't sit in my office and think and write policies by myself unless I have to. …ninety percent of the problems and issues that are brought to my desk either from people in the organization, customers, or people downtown are approached in a collective manner. At a staff meeting, we [the management team] problem-solve together. We try to carry that down to the lowest positions in the organizations. I found out a long time ago [that] some of your best ideas can come from those you least expect it from. When we've had an issue or problem, we've dealt with collectively and people are still coming into my office with problems that's when I have to write a policy." (City B, n.d.)

The employee continues further by describing a problem he solved by instituting new written policies. In this case, the problem caused a necessity for authorization from this employee. Instead of continuing to deal with the problem in a centralized manner, he chose to work with his management team and write up a formal policy that addresses this issue. In this case, centralization became formalization, which alludes to the idea that

written rules can substitute or replace the need for centralization (Gouldner, 1954). Given that the statistical models show a negative relationship between the two constructs, it makes sense to say that in some cases, where you have formalization, there is less of a need for centralization.

It was hypothesized that employees with minority status would report lower amounts of perceived red tape. This is the case for white females and minority males. In the case of minority females, the relationship is not significant. Unlike the first model, there is no statistical difference between cities on red tape perceptions. Though this was expected, it brings about an interesting idea: both organizations, though independent of one another, have perceived levels of red tape that are not significantly different. Therefore, red tape is, as previous literature supports, a wide-ranging phenomenon.

Also warranting discussion is the red tape measure itself. Instead of using one measure for red tape, three measures are used to make a single construct. These items asked respondents to indicate how they view organizational rules between the extremes of "not burdensome to burdensome," "effective to ineffective," and "necessary to unnecessary" (drawn from DeHart-Davis, 2009b). Each of these items was regressed on the "red tape" latent construct, which extracts shared variance among the three items. Standardized factor loadings are presented in Figure 4.4. These loadings indicate the amount of shared variance that each indicator contributes to the latent construct. The higher the loading, the more shared variance the measure contributes. In this case, standardized loadings are 0.655 (burdensome), 0.807 (unnecessary), and 0.794 (ineffective). While the first indicator does not contribute as much variance as do the latter two, these factor loadings are sufficient in asserting that the construct is measured

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appropriately by these three items. Support for a perceptual measure can be found in a statement made by one employee from City B, who referred to perception of a specific unwritten rule in the following way: "In terms of whether that's a good or bad rule it depends on who you ask" (n.d.). In this case, what is red tape to one person may not be red tape to another.

Control variables brought about the same relationships in this model as they did the first. This makes sense because all variables are the same in both models except for the dependent variable. Nonetheless, consult Table 4.4 above for the relationships of control variables on latent variables in the model. Consistent with the first model, white females are likely to perceive lower levels of formalization. Also consistent with the first model, City B employees report that their workplace is more formalized and less centralized, while City A employees report that their workplace is less formalized and more centralized.

Influence of Organizational Context on Rule Consequences: The Introduction of Ethical Climate

The first two models in this chapter addressed the direct relationship between bureaucratic structure and rule consequences. Their results provided insight into whether formalization and centralization, along with minority status, influenced the likelihood of rule bending and red tape perceptions. Those results were supported by excerpts of interviews conducted in both cities. In the remainder of this chapter, discussion revolves around the models that include ethical climate.

It is hypothesized that ethical climate, as an organizational norm, has an effect on rule consequences but also acts as a "mediator" variable through which formalization and

centralization exert their influence. The term "mediator" is used with quotation marks because true mediation can only be tested with longitudinal data. Since the data here are cross-sectional, care must be taken in calling ethical climate a true mediator, which cannot be tested. Instead, tests are for indirect effects. Additionally, only City A is included in these models, as the Ethical Climate Questionnaire items were not included in the survey distributed to City B. Similarly, because interviews did not explicitly address organizational norms or climate, conclusions regarding the influence of ethical climate are drawn exclusively from the quantitative data. Given that there were little significant differences between cities in the first two models, it is safe to conclude that these same findings might also emerge if both cities were included.[14] Granted, generalization of the forthcoming results beyond City A is still to be done with caution.

Some measurement items are worth noting here as they apply to both models to be presented. The "organization interest" climate includes only two indicators instead of the standard three. This is because not all Ethical Climate Questionnaire items were used. Malloy and Agarwal (2010) studied ethical climate across sectors and found that some climates were present in the nonprofit and public sectors. Using their findings as a source for indicators worthy of inclusion in the survey led to the placement of only two of the "organization interest" items. These two items are constrained to equality, which means that their loadings will be equal in both models. As a result, the model assumes that they contribute the same amount of variance to the latent construct, but this may not actually be the case.

The second item worth noting is that the climates are estimated in the models as correlated. There are no expectations for how strongly or weakly they are correlated or in which

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[14] City B employees were less likely to bend rules but they also perceived their organization as more formalized and less centralized. This decreased likelihood to bend rules is likely attributable to the greater perception of formalization, which is found to be a significant predictor of rule bending behavior.

direction. The main reason for correlating climates is because of the possibility for more than

one to exist within an organization. This is particularly the case in an organization with many

divisions and departments. A second reason, however, for correlating these climates is that

although they are separate climates, they are still part of an overall ethical climate theory.

Therefore, it makes sense to assume that they are related to one another in some way.

Lastly, prior ethical climate research has used empirically-derived climates. Scholars

have generally allowed indicators to load on all ethical climate factors in their models, leading

the data drive the determination of which ethical climates existed within the organization of

study (see e.g. Victor & Cullen, 1987, 1988; Cullen, Victor, & Bronson, 1993; Wimbush,

Shepard, & Markham, 1997). Because there is recent evidence suggesting that the theoretical

climates provide better fitting models (Peterson, 2002) and because interest is placed on the

theoretical climates, indicators from the climates are treated as mutually exclusive and are not

allowed to cross-load onto any climate other than their own. As a test of theory, it seems most

necessary to model these climates as they were intended by their originators (Victor & Cullen,

1987). This is particularly appropriate because this research marks one of the first ventures into

ethical climate research in the public sector.

Ethical Climate and Rule Bending

<Insert Figure 4.5 here.>

In Figure 4.5, ethical climate is hypothesized as being predicted by bureaucratic structure

but also as predicting rule bending. Like previous models, minority status is included and

regressed on all variables, because it is estimated as a control variable accounting for individual

differences. Formalization is expected to decrease rule bending and increase perception of all

climates. Centralization is expected to increase rule bending and perception of "organization interest" climate, but decrease perceptions of "team interest" and "rules/SOPs" climates. Further, "organization interest" and "rules/SOPs" climates are expected to decrease rule bending while "team interest" climate is expected to increase it. The addition of climates also means that both formalization and centralization are expected to have indirect effects on rule bending. Finally, as before, minority status is hypothesized as being related to decreased rule bending and nonconformity is expected to increase rule bending.

Results

<Insert Figure 4.6 here.>

<Insert Table 4.5 here.>

The standardized regression results are depicted in Figure 4.6. Due to space constraints, the model does not include factor loadings, which instead are provided in Table 4.5. Model fit is sufficient, as the figure shows, but it only satisfies two of the three "rules of thumb." The RMSEA is 0.089, which is higher than the 0.08 mark for a sufficient model. However, the other model fit statistics satisfy the guideline of greater than 0.90: the CFI is 0.941 and the NNFI is 0.927. Allowing nonconformity to predict ethical climate improves model fit but since nonconformity is an individual personality characteristic, it is not theoretically appropriate to model it as a predictor of an organizational variable.[15] As a result, reduced model fit is accepted in the name of theoretical clarity and parsimony. All but one relationship proved significant,

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[15] Even though ethical climate is measured using perceptions, it is still theorized to be an organizational phenomenon. It is very likely nonconformists would perceive the climates differently, but theory does not call for this relationship to be tested.

according to the tests of significance by comparing chi-square values. Regression parameter

significance test results are found in Table 4.6.

<Insert Table 4.6 here.>

In this model, centralization has a negative direct impact on rule bending behavior, which

is contradictory to hypotheses and the previous model. Formalization's direct influence upon

rule bending behavior is not significant. Both structural components are significant predictors of

each of the three climates. Formalization leads to greater perception of "team interest" and

"rules/SOPs" climates and lower perception of "organization interest," the latter of which is

contrary to expectations. Centralization has the opposite influence, all as expected: it increases

perception of "organization interest" and decreases perception of "team caring" and "rules/SOP."

Each ethical climate has a significant direct effect on rule bending behavior. "Organization

interest" was hypothesized as leading to lower rule bending, but the model shows it leads to

increased rule bending. Expectations for both "team interest" and "rules/SOPs" climates are

supported: the former leads to increased rule bending behavior while the latter decreases it.

Lastly, only minority women are significantly less likely to bend rules. Standardized regression

parameters for all minority status variables can be found in Table 4.7. Consistent with previous

findings, nonconformity increases rule bending behavior.

<Insert Table 4.7 here.>

Before turning to discussion, it is imperative to discuss how indirect effects are

determined. The built-in MPLUS test for mediation is the Sobel Test (Sobel, 1982), which may

provide biased results. A better test for mediation is the Monte Carlo method (MacKinnon,

Lockwood, & Williams, 2004). The Selig and Preacher Monte Carlo method tool (2008) is used

to test for indirect effects.[16] This test requires inputting the values of the *a* and *b* paths as well as

their corresponding standard errors. The *a* path is the one in which the independent variable

predicts the mediator variable; the mediator variable predicts the dependent variable in the *b*

path. The product (*ab*) is the value of the indirect effect. The Monte Carlo method does 20,000

simulations to provide confidence intervals (for 95 percent). When zero falls outside of those

confidence intervals, the null hypothesis (no indirect effect) is rejected. Simply, when zero falls

outside of the interval, there is statistical significance for the indirect effect. Table 4.8 shows the

results of these tests for this model.

<center><Insert Table 4.8 here.></center>

As the table shows, formalization and centralization each exert significant indirect effects

on rule bending through all three climates. Formalization has a negative indirect effect on rule

bending when "organization interest" and "rules/SOPs" climates are present and a positive

indirect effect on rule bending when "team interest" climate is present, which are all consistent

with hypotheses. As anticipated, centralization is found to have positive indirect effects on rule

bending through "organization interest." Contrary to hypotheses, however, centralization has a

positive indirect effect through "team interest" climate and a negative indirect effect through

"rules/SOP."

Discussion

There are several interesting findings worthy of discussion. First, the introduction of

climate brings about some remarkable results. All three climates included in the model

significantly influence rule bending behavior. Contrary to expectations, "organization interest"

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[16] This tool can be found at http://www.quantpsy.org/medmc/medmc.htm.

increases rule bending. One explanation for this may be that pro-social rule breaking is happening in the name of efficiency or customer service (Morrison, 2006), both of which can be seen as beneficial to the performance of the organization. The same can be said for "team interest" climate, which also leads to more rule bending behavior. In this case, pro-social rule breaking may occur to help co-workers, which would be in the interests of the team, which consists of the organization's employees. Finally, the "rules/SOPs" climate decreases rule bending, which is not a particularly surprising finding as one would expect a climate that encourages rule abidance when faced with ethical decisions to lead to less rule bending behavior.

Climate is also predicted by bureaucratic structure components. Both formalization and centralization exert significance effects upon these climates. One of these relationships was not in the direction hypothesized. It was expected that formalization would increase "organization interest" climate because of the value placed on the organization's interests, but it was found that formalization reduces perception of this climate. When thought of differently—that lower formalization increases perception of "organization interest" climate—the "why" becomes clearer: in the absence of written rules, an organization may strongly encourage that decisions be made with the interests of that organization in mind.

Centralization was expected to increase rule bending behavior, which was supported in the first rule bending model. However, in this model, centralization's direct effect on rule bending is negative. Therefore, when modeling rule bending as a function of not only bureaucratic structure and minority status but also ethical climate, this relationship appears differently. With that said, there is more to the story, as centralization indirectly influences rule bending in three different ways. Table 4.8 shows that centralization has positive indirect effects on rule bending through "organization interest" and "team interest" climates and a negative

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indirect effect on rule bending through the "rules/SOPs" climate. For each climate, the indirect effect (*ab*) of centralization can be added to its direct effect to get the total effect. The direct effect of centralization is -0.125. The total effect of centralization through "organization interest" is calculated to be -0.052 while the total effect through "team interest" is -0.056. In these cases, the positive indirect effects are mitigated by the negative direct effect of centralization. For "rules/SOP," the total effect of centralization is -0.163. Overall, when accounting for ethical climate, centralization decreases rule bending behavior. This finding contradicts the results of the previous rule bending model that does not account for ethical climate and implies that the relationship between centralization and rule bending is a bit more complicated than previously thought.

Formalization, which exerts a direct effect on rule bending when ethical climate is not included in the model, does not have a significant influence on rule bending behaviors when it is. Instead, the effect of formalization on rule bending now takes the form of indirect effects. Because there is no significant direct effect of formalization on rule bending, the values in Table 4.8 are not to be added to any value. Instead, the indirect effect values are the only significant effects that formalization exerts. Thus, formalization indirectly decreases rule bending through "organization interest" and "rules/SOPs" climates. While it was expected that formalization would have a negative indirect effect on rule bending, it was also expected that formalization would increase "organization interest." Instead, formalization's negative indirect effect on rule bending, a value of -0.031, seems to occur by decreasing perception of "organization interest" climate. As logic presupposes, formalization's indirect effect on rule bending through the "rules/SOPs" climate is negative with a value of -0.038. Finally, formalization's indirect effect on rule bending through the "team interest" climate is positive (0.097). This may indicate that

pro-social rule breaking—especially in the name of helping other employees—is more common when people perceive a "team interest" climate. While this data cannot support any claims on *why* employees bend rules, this explanation is worthy of future consideration.

While minority status was only hypothesized as having an effect on rule bending itself, there are some interesting findings regarding minority status and perceptions of climates. All categories—white female, minority male, and minority female—are likely to perceive a stronger presence of a "team interest" climate. Women—white and minority—are likely to perceive their workplace as more characterized by the "rules/SOPs" climate. Keeping in mind that more than one climate may exist within the same organization, this in part may be due to the correlation between the two climates, which is strong at 0.732. As mentioned earlier, these correlations are modeled because climates are distinct parts of a single theory. While it is unclear why these two climates are correlated so strongly, this correlation may explain why minority status brings about similar perceptions of both climates. Future research should consider individual differences in perceptions of climate; caution is warranted however, because climate is considered to be an organizational variable, not necessarily one characterized by differences in personal perceptions. In other words, even though climate is measured through perceptions, these perceptions are critical because they a part of the very definition of ethical climate, which consists of "[t]he prevailing perceptions of typical organizational practices and procedures that have ethical content" (Victor & Cullen, 1988, p. 101).

In all, these findings show that the relationship between structure and rule bending is complicated. Structural equation modeling (SEM) calculates R-Squared values for each variable in the model. These values tell us how much variance is explained by the latent predictors as well as observed variables that make up a latent construct. In the initial model, 13.4 percent of

the variance in rule bending is explained by formalization, centralization, and nonconformity. In

this model, which includes those variables and also ethical climate, 30.8 percent of the variance

in rule bending is explained. This suggests that not only are bureaucratic structure and

personality characteristics important for the explanation of rule bending, but organizational

norms—specifically, ethical climate—also explain the rule bending behavior that an organization

might encounter.[17]

Ethical Climate and Perception of Red Tape

<Insert Figure 4.7 here.>

The theoretical model in Figure 4.7 shows bureaucratic structure and ethical climate as

predictors of perceived red tape. Minority status is also regressed on all variables to account for

individual differences. Hypotheses from the initial red tape model remain: formalization and

centralization are both expected to increase perceptions of red tape. Expectations regarding

bureaucratic structure as predictors of climates are the same as the previous ethical climate

model: formalization is expected to increasing perception of all climates while centralization is

expected to increase perception of "organization interest" climate and decrease perception of

"team interest" and "rules/SOPs" climates. Further, "organization interest" climate is expected

to increase red tape perceptions while "team interest" and "rules/SOPs" are each expected to

decrease them. Because the climates are included as "mediators," it is hypothesized that both

structural variables will exert indirect effects on perceptions of red tape. Lastly, like the initial

red tape model, it is expected minority status will lead to perceptions of lower red tape.

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[17] R-Squared values do not include minority status variables because they are estimated as manifest control variables as opposed to latent constructs.

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Results

<Insert Figure 4.8 here.>

<Insert Table 4.9 here.>

The standardized regression results for this model are depicted in Figure 4.8. Because of lack of space, standardized factor loadings can be found in Table 4.9. Figure 4.8 shows that model fit is sufficient: the RMSEA value is 0.073 while the CFI and NNFI are 0.966 and 0.956, respectively. Regression parameter significance test results are found in Table 4.10, which shows that all but two relationships are statistically significant. "Organization interest" and "rules/SOPs" climates do not significantly predict perceptions of red tape.

<Insert Table 4.10 here.>

Consistent with earlier findings from the initial red tape model, formalization reduces the perception red tape while centralization increases it. In the same manner found in the previous ethical climate model, both bureaucratic structural components are predictors of the climates: formalization decreases perception of "organization interest"—opposite of what was expected—and increases perceptions of "team interest" and "rules/SOPs;" centralization increases perception of "organization interest" and decreases perceptions of the "team interest" and "rules/SOPs" climates. Only one climate is a significant predictor of perceived red tape: "team interest" reduces it. It was expected that minorities would perceive less red tape. For two of the three minority status categories, this is supported. Like the first red tape model, there is no statistically significant relationship between minority female and the amount of red tape they perceive. The influence of minority status on all constructs is found in Table 4.11, which reports standardized regression parameters.

<Insert Table 4.11 here.>

<Insert Table 4.12 here.>

Tests for indirect effects are presented in Table 4.12. As the table indicates, only one climate acts as a "mediator" variable in this model. Formalization, when coupled with "team interest" climate, exerts a negative indirect influence on perception of red tape, which is consistent with hypotheses. On the other hand, centralization significantly increases perceived red tape indirectly, also as expected. Formalization and centralization do not have a significant indirect effect on red tape with any other climate.

Discussion

Some findings warrant discussion here. First, the three measures of red tape hold up a little more consistently in this model than in the first red tape model. The factor loadings for these three items are .791, .790, and .799. Here, each item is contributing virtually the same amount of shared variance to the latent variable. These loadings provide support for construct validity of the measure. The inclusion of items based on the operational definition contributes to its content validity.

Since formalization and centralization predict the climates in the same manner in both ethical climate models, and to avoid redundancy, earlier discussion is sufficient. However, the influence of ethical climate presents itself a bit differently when predicting perception of red tape than it does when predicting rule bending. Only one climate—"team interest"—has a significant negative effect on perceived red tape, the direction of which is consistent with hypotheses. It is presumed that when the organization's members are to make decisions based upon what is best for themselves—the members of the organization—that rules are viewed as having value and being necessary and effective.

The "team interest" climate is also the only climate that acts as a "mediator" variable. It was expected that formalization would increase perceptions of a "team interest" climate and that centralization would decrease them. Both of these expectations held up in the model. Additionally, formalization was predicted to have a negative, indirect effect on red tape perceptions, and centralization to have a positive one. Again, these hypotheses were supported. But what is the total effect? The indirect effect value from Table 4.12 and adding it to the direct effects gives the total effect. Formalization's total effect on perceived red tape is -0.667 (-0.605 + -0.062). This means that formalization exerts a stronger influence on the reduction of perceived red tape when "team interest" climate is perceived. Centralization's total effect is 0.201 (0.176 + 0.025). Similarly, centralization leads to increased perception of red tape when "team interest" climate is present. In both cases, "team interest" climate exacerbates the influence of bureaucratic structure on the perception of red tape. Interestingly, the "rules/SOPs" climate exerts no direct or indirect influence on red tape perceptions. This could be due to the relatively high correlation between it and the "team interest" climate, which is something future research should consider.

Consistent with the first red tape model, white females and minority males perceive less red tape. Minority females do not exhibit a statistically significant difference in their perceptions. This could be due to the manner in which minority status is operationalized or it could indicate an underlying difference that is unexplained by previous literature. Like the previous ethical climate model, minority status impacts perceptions of the "team interest" and "rules/SOPs" climates. As stated earlier, it is unclear why these are significant and simply might be due to personal characteristics, as ethical climate is an organizational variable and is not

theoretically influenced by personality or sociodemographic differences (though, of course, there may be differences in perceptions, as these data show).

Lastly, the R-Squared value for the original red tape model discussed earlier in the chapter is 59.8. This means that 59.8 percent of the variance of red tape is explained by bureaucratic structure alone. In this model including ethical climate, the R-Squared value increases to 62.4 percent. This indicates that ethical climate contributes relatively little explanation of perceptions of red tape as modeled here. However, this may be because of the nature of the red tape construct, which includes items about rules, or the possibility that the theory of ethical climate has little effect on one's perception of the effectiveness or ineffectiveness of rules. In either case, this does show that however modest, there is improvement in the explanation of perceived red tape when organizational norms are included.

Conclusion

Many employees see the value of rules. The excerpts below express sentiments that were not uncommon:

- "I'm a big fan of rules. …I'm a big fan of rules and structure, and… I think we got enough rules, policies, and procedures, per se. I would like to see them followed more directly." (October 16, 2009, City A employee)

- "I stick to policies and procedures. That basically handles everything. I don't worry about doing anything not ethical. I would rather do it that way, because if you veer for one, you veer for everyone. You can create a problem for yourself." (September 4, 2009, City A employee)

For the most part, interviewees expressed frustration with unwritten rules, unnecessary centralization, and even inconsistent rule implementation. The latter finding is a theme that was not explored in this study and is a suggestion for future research. It seems that many employees felt rules were unfair not in their content, but in their enforcement. Lastly, a notable interview excerpt addresses the volume of rules:

> "I hate to say that specific policies aren't what we need because I know that a lot of times, people will try to use that to their advantage and get over on the system by not following policies but maybe I don't even know a good way to put it… Policies are a good thing, I think we need these policies but I think sometimes we need to analyze and look at the policies to see how large they are and see how much detail is in them and realize that that's information overload for some of these officers when they're on the scene and they're handling something. If someone intentionally violates the policy that's one thing, but if it's a mistake, an honest mistake, and you can say we can correct with this with some retraining and some direction, that might be better." (n.d.)

This police officer from City A places value on rules as a feedback mechanism for the organization. Sometimes rules are not followed simply because there may be too much content. Other times, rules may be viewed as red tape for a myriad of reasons.

The results of the statistical models show that bureaucratic structure does influence rule bending behavior and perception of red tape. When not accounting for ethical climate, formalization significantly reduces both. One could argue that formalization—as a mechanism for control and legitimacy—is working: it is shown as keeping rule behavior variation down while also reducing perceptions of red tape. Contrarily, centralization increases perception of

red tape.[18] This suggests, given the negative correlation between the centralization and formalization, that centralization may sometimes be an unnecessary component when it comes to rules and getting the job done. If rules are written, employees often see no need to gain further permission. Additionally, minority status does have an influence on rule bending and perceived red tape, but not across the board.

The finding that formalization reduces red tape is particularly telling for two reasons. One, it is consistent with the literature stating that formalization is not red tape (Bozeman & Scott, 1996; Bozeman & Feeney, 2011), and two, it is consistent with this literature even though red tape is measured in a different manner. While this does indicate that the perceptual red tape measure created and utilized in this research is valid in some way, further exploration is necessary to determine its convergent validity with other red tape measures used, particularly the commonly-used General Red Tape scale.

The introduction of ethical climate shakes things up a bit. In the case of rule bending, ethical climate explains a lot of the variation. Each ethical climate exerts a direct influence on rule bending behavior and each bureaucratic structural component exerts an indirect effect through those ethical climates. Therefore, ethical climate has the potential to mitigate, exacerbate, or even negate the effects of bureaucratic structure on rule bending. In the case of red tape perceptions, the results of ethical climate are less impressive but still influential. "Team interest" is operates as a "mediator" in the relationship between bureaucratic structure and perceived red tape. For both rule consequences, ethical climate has an impact in some fashion, which may have implications for practice. The next chapter addresses these implications as well as the limitations of this study and the contributions to the literature.

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[18] It has no significant direct influence on rule bending behavior.

Figure 4.1: Conceptual Diagram – Rule Bending
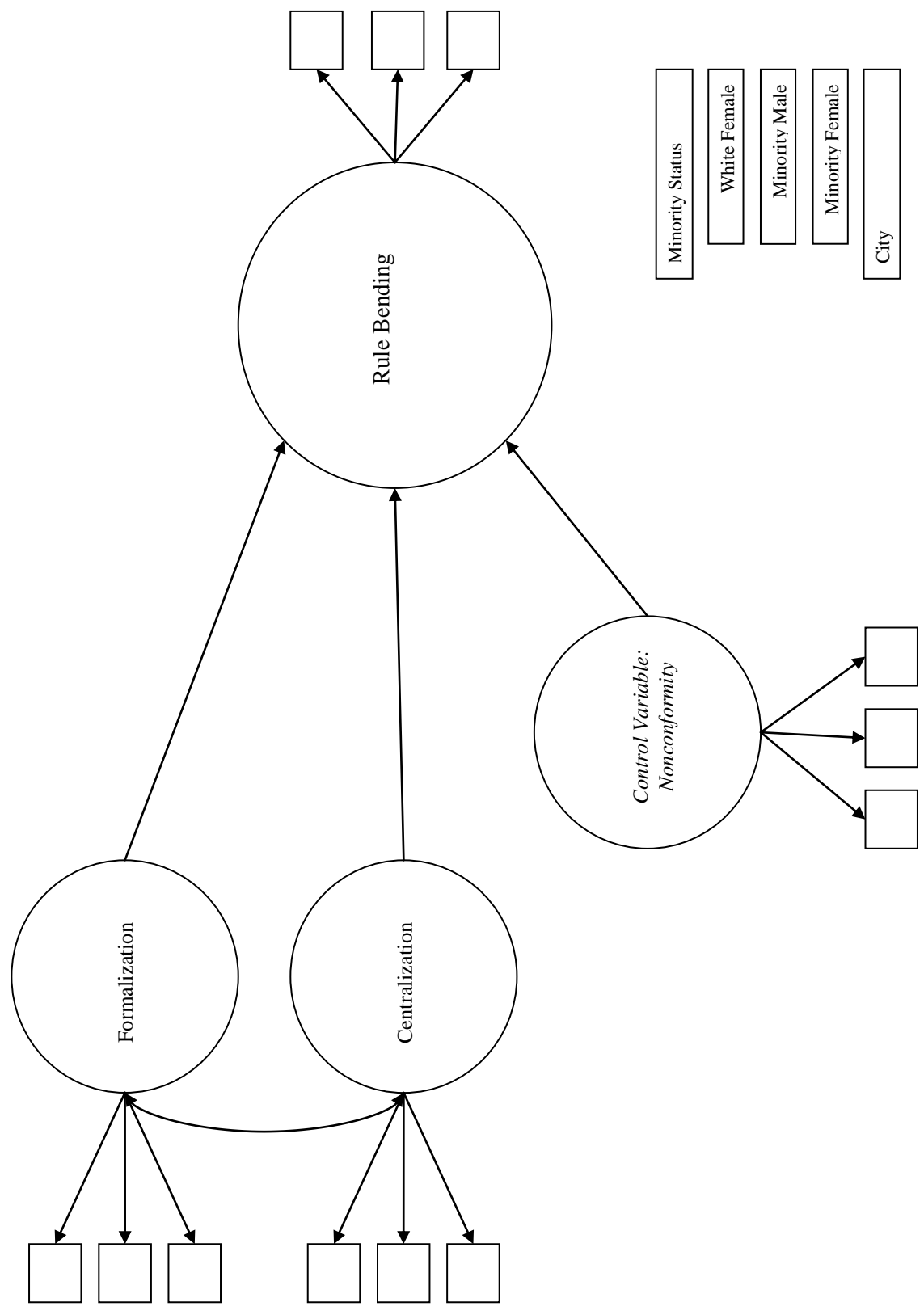
Figure 4.2: Standardized Parameter Estimates – Bureaucratic Structure, Minority Status, and Rule Bending

.788
.840
.983

Rule Bending

-0.158

0.284

Formalization

Centralization

-0.239

Control Variable:
Nonconformity

.899
.934
.828

.626
.660
.683

.887
.941
.838

Minority Status

White Female: -0.092

Minority Male: -0.099

Minority Female: -0.085

City: -0.063

The dashed line represents a non-significant parameter.
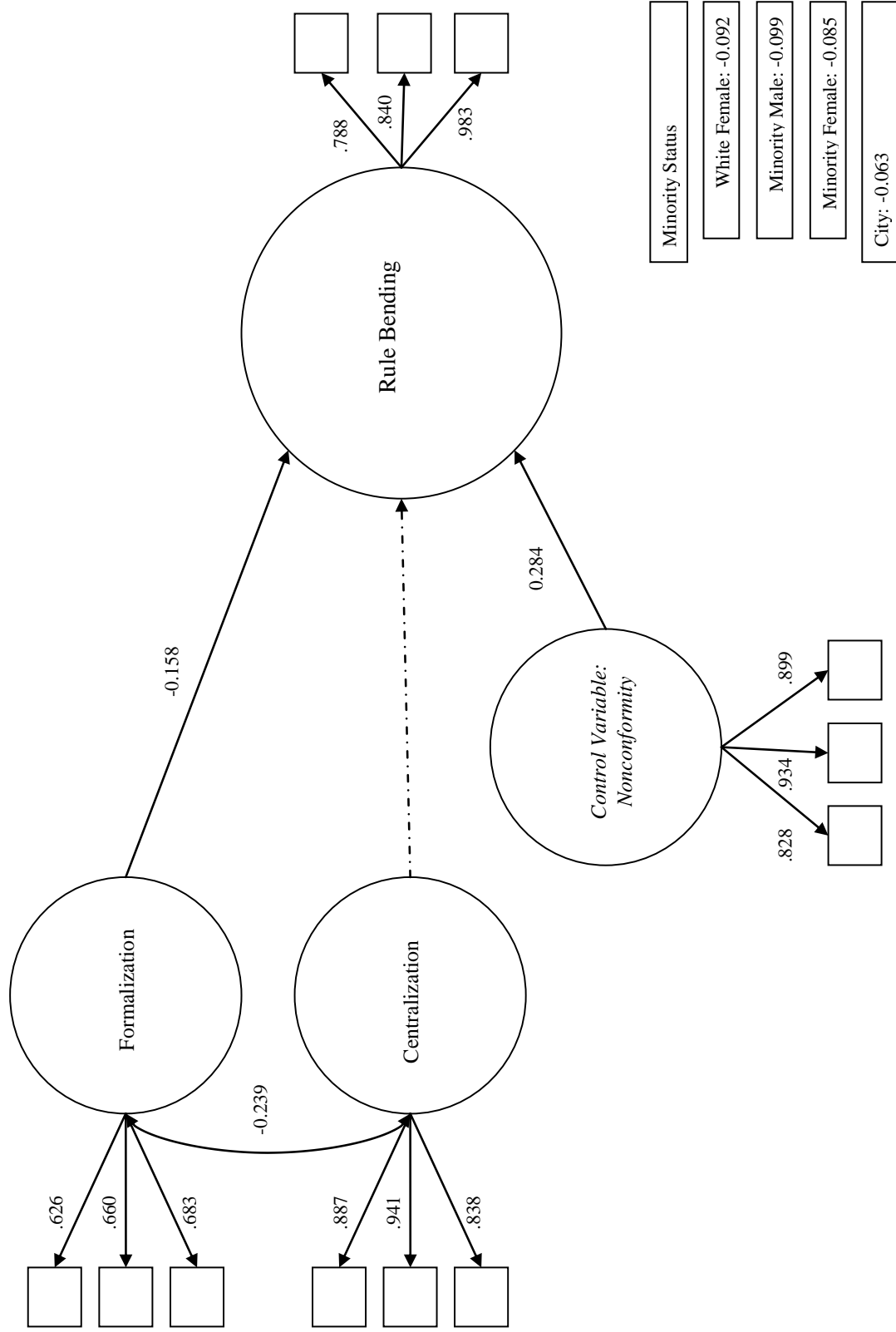
Model Fit: $X^2_{(82, n=1495)}$ = 607.804, p < .001; RMSEA = 0.065$_{(0.061, 0.070)}$; CFI = .981; NNFI (TLI) = .974

Table 4.1: Regression Parameter Significance Levels for Rule Bending

Model	df	$\Delta\chi^2$	Δdf	p
Full Model	82	n/a	n/a	n/a
Trimmed Model				
Formalization	83	12.332	1	0.0004
Centralization	83	0.905	1	0.3414
Nonconformity	83	73.837	1	0.0000

Table 4.2: Standardized Regression Parameters for Control Variables – Rule Bending

Formalization	β	t	p
City B	0.068*	1.974	0.048
White Female	-0.073*	-1.993	0.046
Minority Male	0.055	1.604	0.109
Minority Female	0.032	0.905	0.365

Centralization	β	t	p
City B	-0.189**	-6.383	0.000
White Female	-0.022	-0.714	0.475
Minority Male	0.034	1.141	0.254
Minority Female	0.003	0.103	0.918

Nonconformity	β	t	p
City B	0.015	0.391	0.696
White Female	-0.108**	-2.568	0.010
Minority Male	0.055	-1.465	0.143
Minority Female	0.050	-1.145	0.252

*significant at p < .05; **significant at p <.01*

Figure 4.3: Conceptual Diagram – Perception of Red Tape

Perception of
Red Tape

Formalization

Centralization

Minority Status

White Female

Minority Male

Minority Female

City
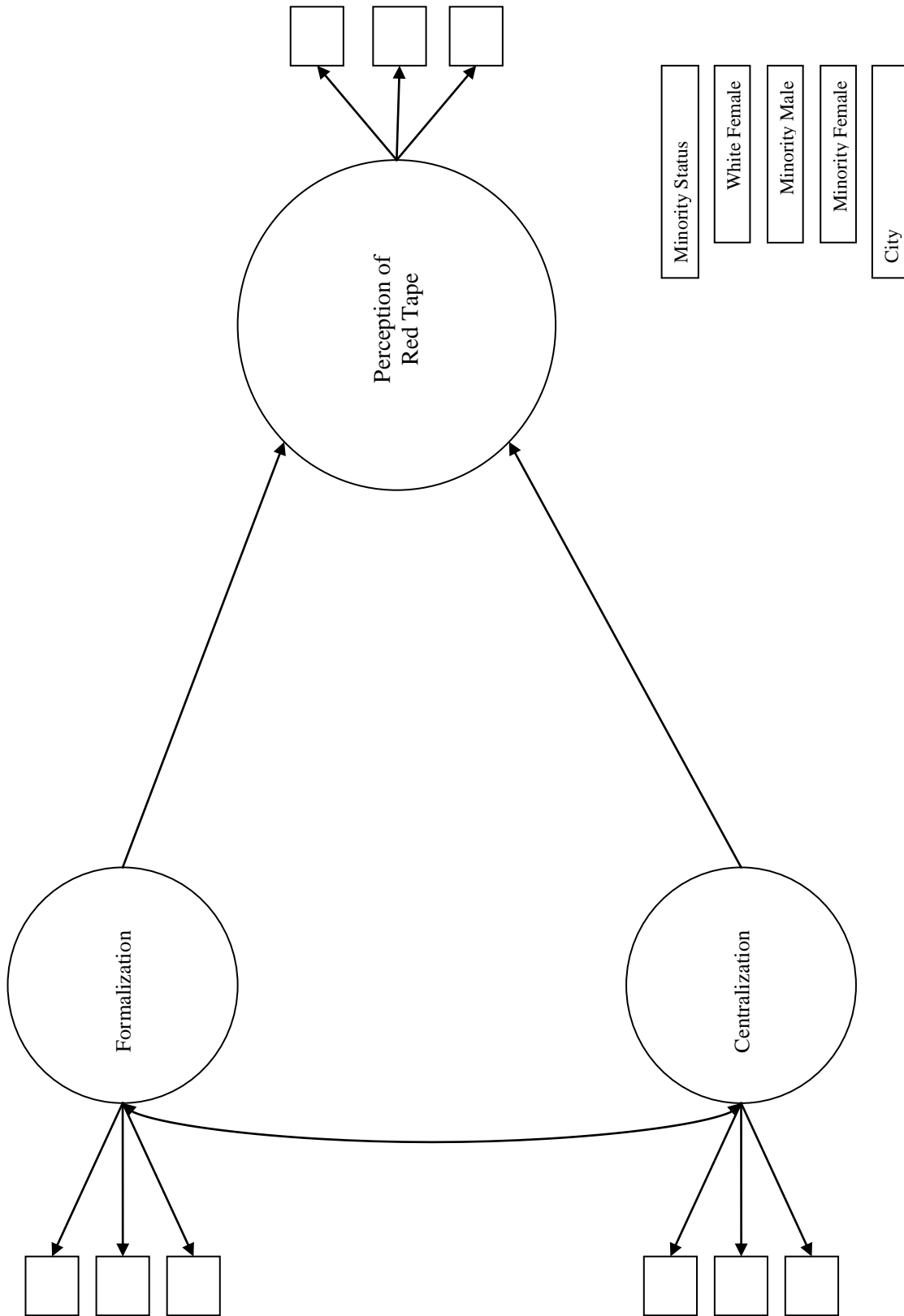
Figure 4.4: Standardized Parameter Estimates – Bureaucratic Structure, Minority Status, and Perception of Red Tape

Minority Status

White Female: -0.113

Minority Male: -0.070

Minority Female: *n.s.*

City: *not significant*

Perception of Red Tape

.794   .807   .655

-0.670

0.259

Formalization

Centralization

.731   .568   .658

-0.236

.883   .944   .840

Model Fit: $X^2_{(48, n=1495)} = 251.21$, $p < .001$; RMSEA $= 0.053_{(0.047, 0.060)}$; CFI $= .989$; NNFI (TLI) $= .983$
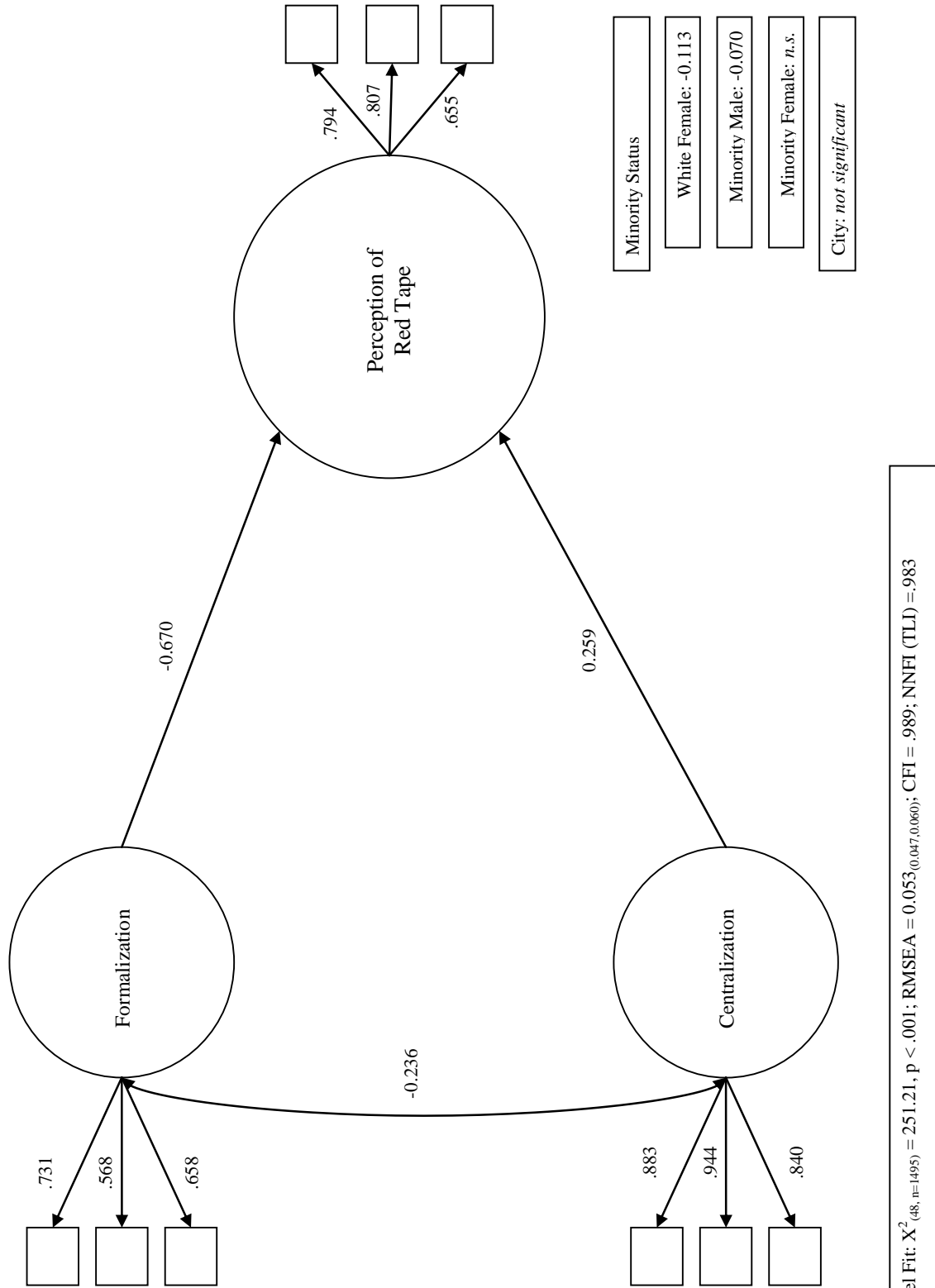
Table 4.3: Regression Parameter Significance Levels for Perception of Red Tape

Model	df	$\Delta\chi^2$	Δdf	p
Full Model	48	n/a	n/a	n/a
Trimmed Model				
Formalization	49	383.691	1	0.0000
Centralization	49	59.296	1	0.0000

Table 4.4: Standardized Regression Parameters for Control Variables – Perception of Red Tape

Formalization	β	t	p
City B	0.077*	2.250	0.024
White Female	-0.073*	-2.041	0.041
Minority Male	0.059	1.751	0.080
Minority Female	0.025	0.725	0.469

Centralization	β	t	p
City B	-0.189**	-6.383	0.000
White Female	-0.022	-0.714	0.475
Minority Male	0.034	1.141	0.254
Minority Female	0.003	0.100	0.920

*significant at p < .05; **significant at p <.01*

Figure 4.5: Conceptual Diagram – Rule Bending with Ethical Climate
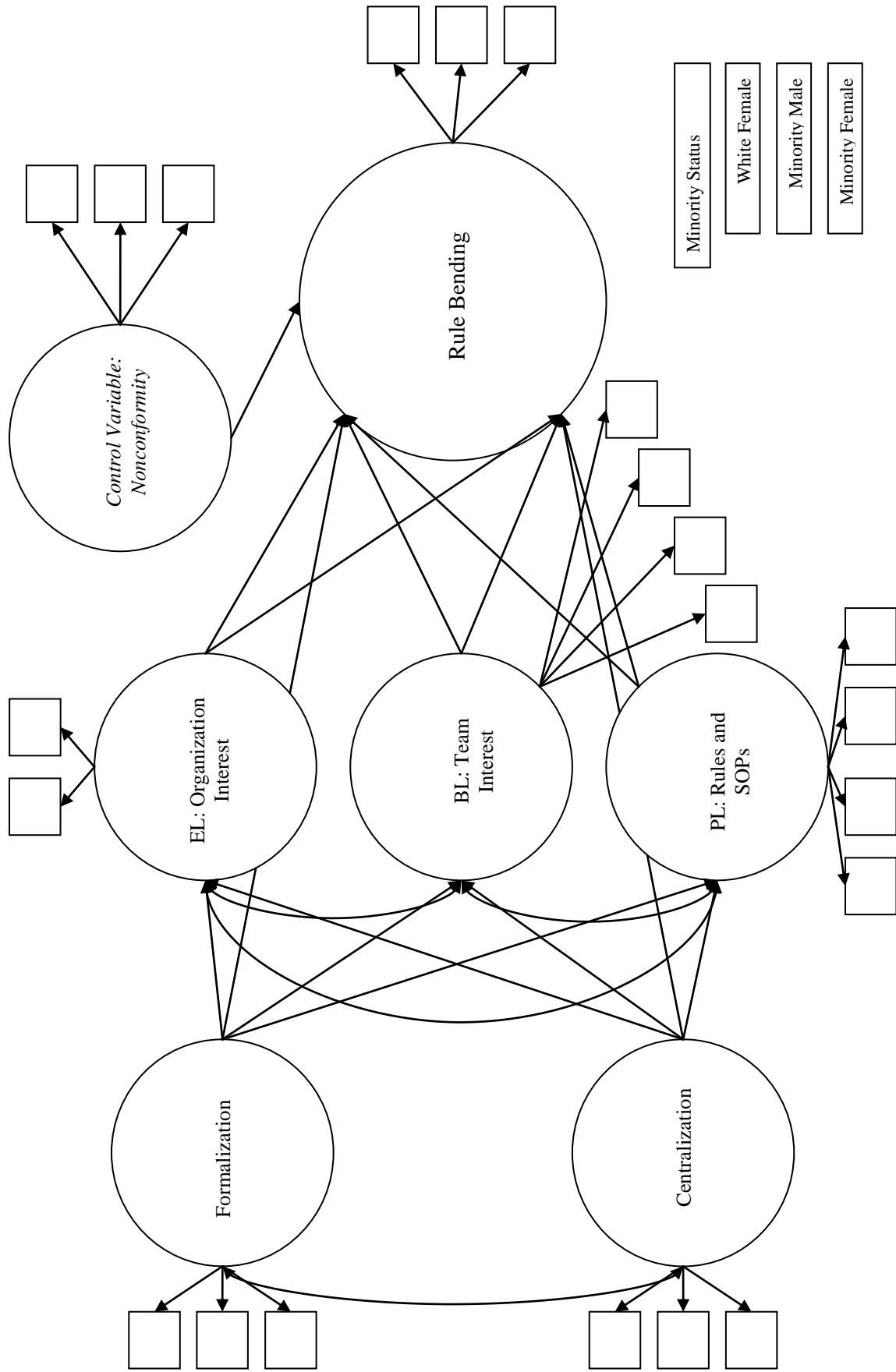
Figure 4.6: Standardized Parameter Estimates – Rule Bending with Ethical Climate

Model Fit: $X^2_{(239, n=950)} = 2051.110$, $p < .001$; RMSEA = $0.089_{(0.086, 0.093)}$; CFI = .941; NNFI (TLI) =.927
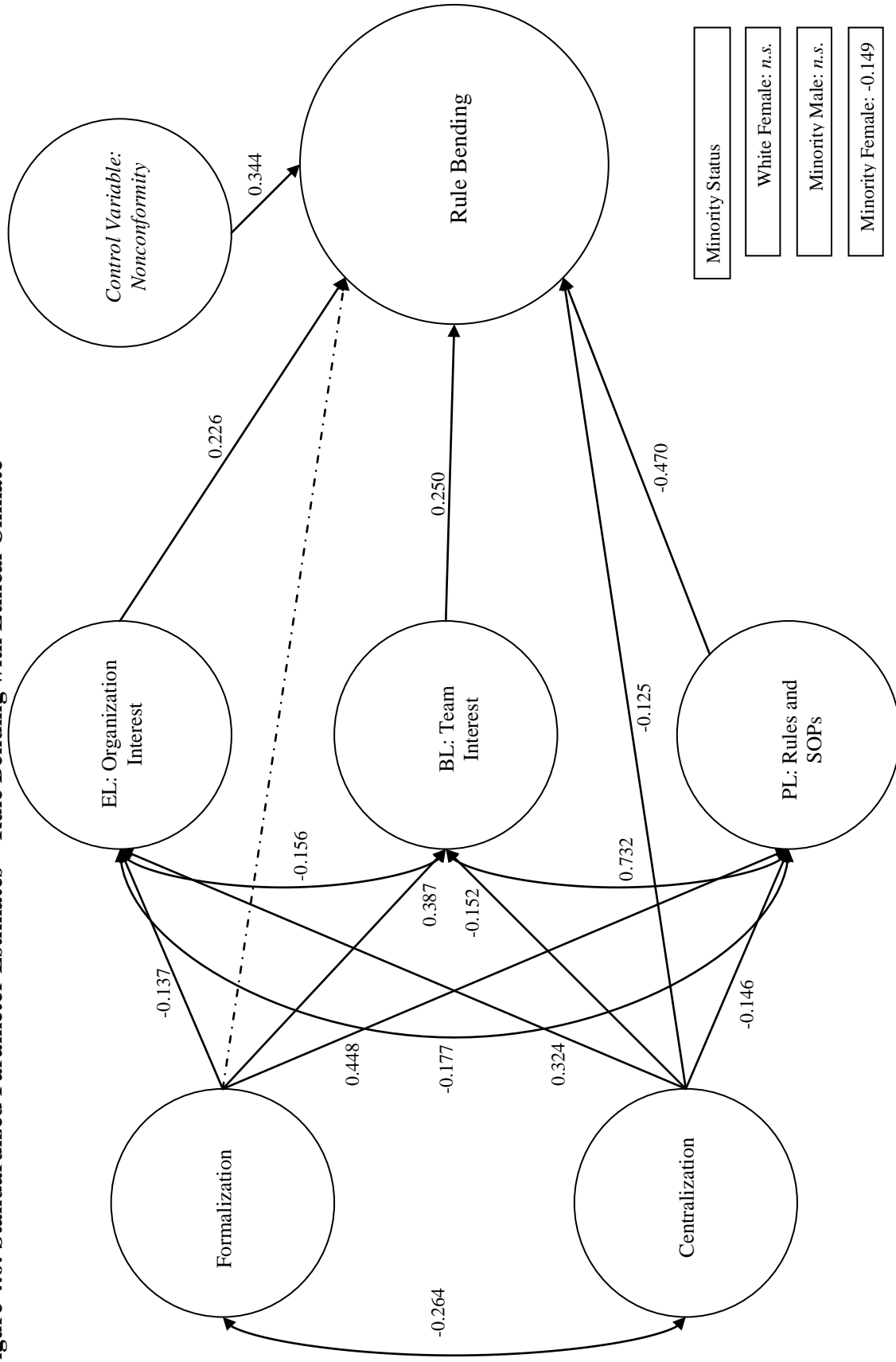
The dashed line represent a non-significant parameter.

Table 4.5: Standardized Factor Loadings for Rule Bending and Ethical Climate

Scale Items	Standardized Estimates
Rule Bending	
bendcit	0.990
bendjob	0.720
bendcom	0.919
Formalization	
writ1 (reversed)	0.564
writ2	0.637
writ3 (reversed)	0.837
Centralization	
censuper	0.900
cenhigh	0.945
cendisc	0.830
Nonconformity	
uquest	0.856
ubuck	0.956
ureb	0.876
Organization Interest	
EL1	0.692
EL2	0.692
Team Interest	
BL1	0.892
BL2	0.873
BL3	0.791
BL4	0.748
Rules and SOPs	
PL1	0.586
PL2	0.765
PL3	0.891
PL4	0.931

Table 4.6: Regression Parameter Significance Levels for Rule Bending and Ethical Climate

Model	df	$\Delta\chi^2$	Δdf	p
Full Model	239	n/a	n/a	n/a
Rule Bending				
Formalization	240	1.175	1	0.2783
Centralization	240	4.428	1	0.0354
Nonconformity	240	49.277	1	0.0000
Organization Interest	240	11.125	1	0.0009
Team Interest	240	5.768	1	0.0163
Rules and SOPs	240	18.940	1	0.0000
Organization Interest				
Formalization	240	8.139	1	0.0043
Centralization	240	57.501	1	0.0000
Team Interest				
Formalization	240	104.007	1	0.0000
Centralization	240	21.376	1	0.0000
Rules and SOPs				
Formalization	240	138.371	1	0.0000
Centralization	240	18.497	1	0.0000

Table 4.7: Standardized Regression Parameters for Control Variables – Rule Bending and Ethical Climate

Formalization	β	t	p
White Female	-0.055	-1.177	0.239
Minority Male	0.082	1.940	0.052
Minority Female	0.038	0.861	0.389

Centralization	β	t	p
White Female	-0.054	-1.387	0.165
Minority Male	0.062	1.642	0.101
Minority Female	0.004	0.111	0.912

Nonconformity	β	t	p
White Female	-0.130	-1.777	0.076
Minority Male	-0.066	-1.207	0.227
Minority Female	-0.008	-0.124	0.901

Organization Interest	β	t	p
White Female	-0.061	-1.353	0.176
Minority Male	-0.092	-1.864	0.062
Minority Female	-0.002	-0.054	0.957

Team Interest	β	t	p
White Female	0.115**	3.020	0.003
Minority Male	0.092**	2.507	0.012
Minority Female	0.205**	5.940	0.000

Rules and SOPs	β	t	p
White Female	0.096**	2.592	0.010
Minority Male	0.016	0.444	0.657
Minority Female	0.109**	3.177	0.001

*significant at $p < .05$; **significant at $p < .01$

Table 4.8: Tests of Indirect Effects for Ethical Climate and Rule Bending

		a	s_a	b	s_b	Monte Carlo Lower and Upper Limits		ab, when significant
Org. Interest Climate	Formalization	-0.148	0.056	0.250	0.084	Lower:	-0.0818	**-0.031**
						Upper:	-0.0060	
	Centralization	0.351	0.047	0.250	0.084	Lower:	0.0299	**0.073**
						Upper	0.1540	
Team Interest Climate	Formalization	0.442	0.048	0.261	0.123	Lower:	0.0074	**0.097**
						Upper:	0.2284	
	Centralization	-0.174	0.038	0.261	0.123	Lower:	-0.0975	**0.069**
						Upper:	-0.0033	
Rules/SOPs Climate	Formalization	0.520	0.052	-0.483	0.119	Lower:	-0.3881	**-0.211**
						Upper:	-0.1256	
	Centralization	-0.170	0.039	-0.483	0.119	Lower:	0.0338	**-0.038**
						Upper:	0.1422	

Unstandardized Estimates are used to test for indirect effects; Standardized estimates are used to calculate the indirect effect ab.

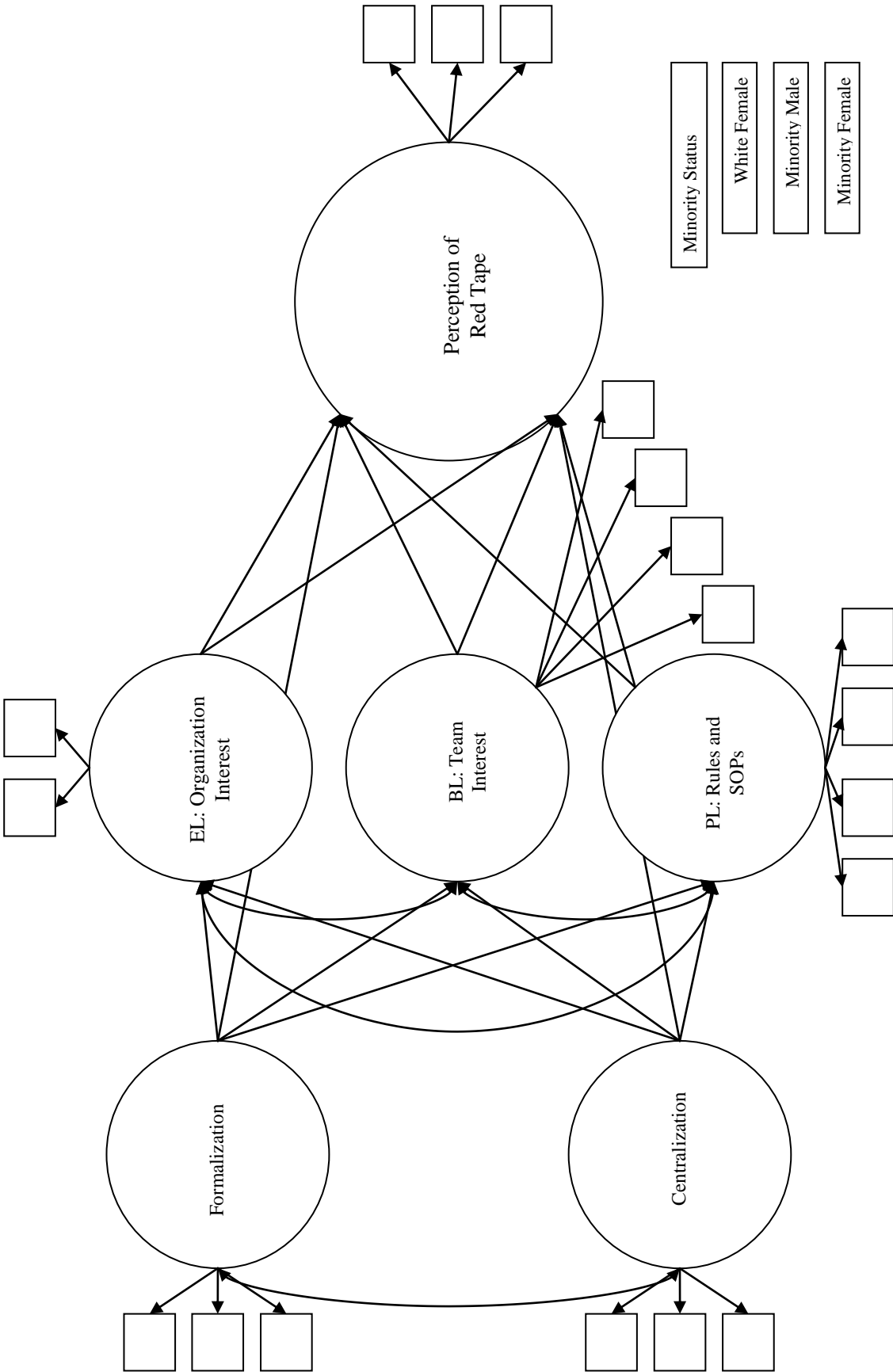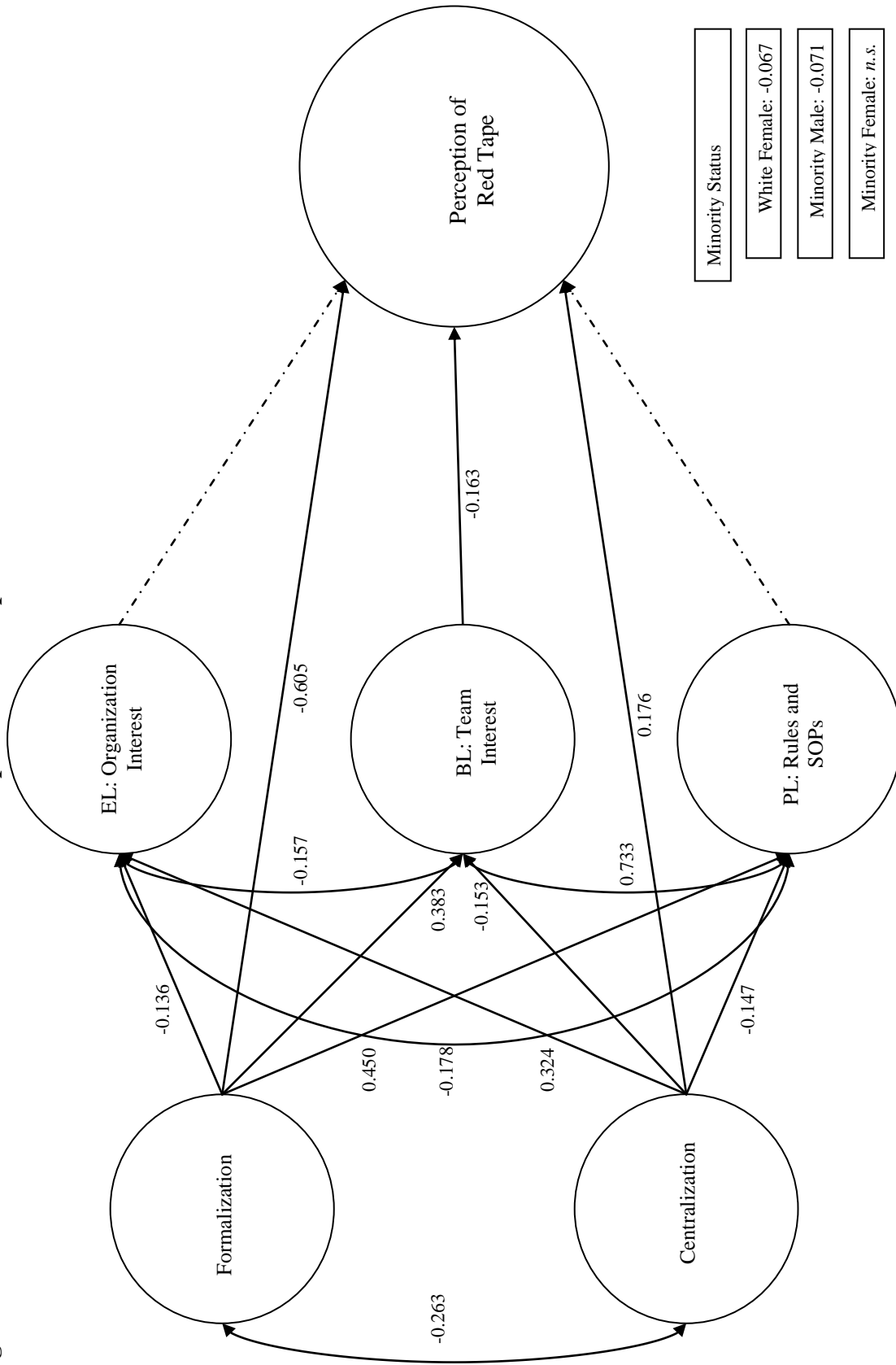**Figure 4.7: Conceptual Diagram – Perception of Red Tape with Ethical Climate**

Figure 4.8: Standardized Parameter Estimates – Perception of Red Tape with Ethical Climate

Model Fit: $X^2_{(177, n=950)}$ = 1068.598, p < .001; RMSEA = 0.073$_{(0.069,0.077)}$; CFI = .966; NNFI (TLI) =.956

*The dashed lines represent a non-significant parameter.

Table 4.9: Standardized Factor Loadings for Perception of Red Tape and Ethical Climate

Scale Items	Standardized Estimates
Red Tape	
burd1r	0.791
nec1r	0.790
eff1r	0.799
Formalization	
writ1 (reversed)	0.662
writ2	0.584
writ3 (reversed)	0.779
Centralization	
censuper	0.896
cenhigh	0.947
cendisc	0.834
Organization Interest	
EL1	0.692
EL2	0.692
Team Interest	
BL1	0.895
BL2	0.871
BL3	0.790
BL4	0.749
Rules and SOPs	
PL1	0.576
PL2	0.762
PL3	0.891
PL4	0.933

Table 4.10: Regression Parameter Significance Levels for Perception of Red Tape and Ethical Climate

Model	df	$\Delta\chi^2$	Δdf	p
Full Model	177	n/a	n/a	n/a
Red Tape				
Formalization	178	211.197	1	0.0000
Centralization	178	15.684	1	0.0001
Organization Interest	178	1.543	1	0.2142
Team Interest	178	6.494	1	0.0108
Rules and SOPs	178	1.005	1	0.3161
Organization Interest				
Formalization	178	6.941	1	0.0084
Centralization	178	58.044	1	0.0000
Team Interest				
Formalization	178	99.973	1	0.0000
Centralization	178	21.654	1	0.0000
Rules and SOPs				
Formalization	178	138.643	1	0.0000
Centralization	178	18.466	1	0.0000

Table 4.11: Standardized Regression Parameters for Control Variables – Perception of Red Tape and Ethical Climate

Formalization	β	t	p
White Female	-0.053	-1.133	0.257
Minority Male	0.092*	2.146	0.032
Minority Female	0.035	0.804	0.422

Centralization	β	t	p
White Female	-0.055	-1.389	0.165
Minority Male	0.062	1.644	0.100
Minority Female	0.004	0.108	0.914

Organization Interest	β	t	p
White Female	-0.061	-1.345	0.179
Minority Male	-0.091	-1.836	0.066
Minority Female	-0.003	-0.063	0.950

Team Interest	β	t	p
White Female	0.114**	2.986	0.003
Minority Male	0.089**	2.405	0.016
Minority Female	0.206**	5.938	0.000

Rules and SOPs	β	t	p
White Female	0.096**	2.560	0.010
Minority Male	0.012	0.319	0.750
Minority Female	0.110**	3.205	0.001

*significant at p < .05; **significant at p <.01*

Table 4.12: Tests of Indirect Effects for Ethical Climate and Perception of Red Tape

		a	s_a	b	s_b	Monte Carlo Lower and Upper Limits		ab, when significant
Org. Interest Climate	Formalization	-0.147	0.056	0.090	0.073	Lower:	-0.0417	*n.s.*
						Upper:	0.0077	
	Centralization	0.351	0.047	0.090	0.073	Lower:	-0.0179	*n.s.*
						Upper	0.0847	
Team Interest Climate	Formalization	0.438	0.049	-0.231	0.093	Lower:	-0.1875	**-0.062**
						Upper:	-0.0210	
	Centralization	-0.175	0.038	-0.231	0.093	Lower:	0.0076	**0.025**
						Upper:	0.0809	
Rules/SOPs Climate	Formalization	0.522	0.053	-0.006	0.089	Lower:	-0.0950	*n.s.*
						Upper:	0.0914	
	Centralization	-0.171	0.039	-0.006	0.089	Lower:	-0.0306	*n.s.*
						Upper:	0.0321	

Unstandardized Estimates are used to test for indirect effects; Standardized estimates are used to calculate the indirect effect ab.

Chapter 5: Conclusion

This study has shown that the relationship between bureaucratic structure and rule consequences is intricate. In particular, organizational control mechanisms—formalization and centralization—influence rule bending and perception of red tape in more ways than one. Findings show that bureaucratic structure does not stand alone when it comes to curbing rule benders; they also show that structure itself, as well as when coupled with ethical climate, influence perceptions of red tape. Minority status certainly affects how one approaches rule bending as well as perceives red tape—and how they even perceive bureaucratic structure and ethical climates.

Oberfield (2010, p. 736) noted that the context within which one operates affects how those within an organization behave and perceive. Similarly, Keiser and colleagues stated that "we cannot understand bureaucratic behavior without taking into account the institutions in which the behavior takes place (Keiser, et al., 2002, p. 555). The claims in this study, as supported by the results, show that context explains behavior and perceptions, both in terms of structural components and organizational norms in the form of ethical climate. In all, the results in this study have shown that there is a lot to the story. In the rest of this chapter, the initial research questions are revisited to see how this study contributes to answering them. In addition, hypotheses are revisited in light of the findings. Then, each major component of the study is discussed in terms of significance and questions that now arise. Finally, avenues for future research and study limitations are noted.

Revisiting the Research Questions

This study sought to answer the following research questions:

1. *How does bureaucratic structure influence one's propensity to bend rules and perceive red tape?*

2. *What individual attributes contribute to rule bending and perceptions of red tape?*

3. *How do organizational norms influence the relationship between organizational structure and willingness to bend rules and perceive red tape?*

The findings discussed in the previous chapter lend insight for all three of these questions. Table 5.1 reiterates the hypotheses proposed and provides information on whether each hypothesis was supported or not.

<Insert Table 5.1 here.>

First, several aspects of bureaucratic structure do have an influence on rule bending and red tape perceptions in some way. Hypotheses one through four, as indicated in Table 5.1, pertain to this first research question. Formalization was found to decrease rule bending behavior, as expected; it also decreased perceived red tape, which was contrary to expectations. Formalization's impact on these two rule consequences is beneficial, assuming that organizations would like to keep rule bending and perceived red tape to a minimum. While hypothesis three stated that centralization would increase rule bending, it was not supported. Centralization was found, however, to increase perceptions of red tape. In all, both components of bureaucratic structure were influential in some way on rule consequences, though one (formalization) may be seen as more beneficial, while the other (centralization) may be seen as less so. Of course, the benefits of both of these components of structure are in the eye of the beholder, but such claims can be made when thinking about bureaucratic structure as a way to ensure consistency and

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decrease deviant and undesired bureaucratic behavior (Cyert & March, 1963 in Zhou, 1993; Walsh & Dewar, 1987; Brewer & Walker, 2010a).

The second research question pertains to how individual characteristics, particularly one's minority status, influences willingness to bend rules and perception of red tape. Both hypotheses five and six posited that having minority status leads to reduced unintended consequences of rules. The results indicated that these hypotheses were generally supported. Women (white and minority) and minority men were all less likely to bend rules, while all but minority females were likely to perceive lower levels of red tape. These findings are supported by previous literature, which has indicated that people with lower organization status, in some form, are likely to use rules as a way to harbor legitimacy (Merton, 1957; Portillo & DeHart-Davis, 2009; Portillo, 2012). While not formally hypothesized, nonconformity was also found to be a contributor of one's willingness to bend rules, which is consistent with previous literature (DeHart-Davis, 2007).

Finally, the third research question deals with organizational norms and how they might affect the relationship between organizational structure and rule consequences. The remaining six of the twelve hypothesis presented pertain this research question. In this case, ethical climate was studied as one facet of norms within an organization and was expected to act as a "mediator" between bureaucratic structure and rule consequences. Overall, the findings of this study showed that ethical climate does act as a "mediator" variable, exerting an influence on the relationship between structure and rule consequences. Both components of structure were shown to have indirect influences on rule bending when accounting for ethical climate. Formalization indirectly reduced rule bending when considering "organization interest" and "rules/SOPs" climates, as expected in hypotheses 7a and 11a. It was expected that formalization would

indirectly reduce rule bending when accounting for "team interest" climate as well (hypothesis 9a), but the results showed that the effect was actually a positive one. In the case of perception of red tape, hypotheses 7b and 11b were not supported, as the indirect effects were not significant. However, hypothesis 9b, which stated that formalization would exert a negative indirect effect on red tape perception by increasing perception of "team interest" climate, was supported. Out of six sub-hypotheses pertaining to the indirect influence of formalization on rule consequences, three were supported, one was refuted, and two were not significant.

Similar findings resulted for centralization's indirect influence. With regard to rule bending behavior, centralization was found to have a significant indirect effect when accounting for climate, but not always in the direction hypothesized. Hypothesis 8a posited that centralization would indirectly increase rule bending by increasing perception of "organization interest" climate, which the results supported. On the other hand, hypotheses 10a and 12a were refuted, as the findings were significant in the opposite direction. The findings showed that centralization indirectly increased rule bending behavior when accounting for "team interest" climate, while it indirectly decreased rule bending behavior when accounting for "rules/SOPs" climate. Only one significant indirect relationship resulted between centralization and perception of red tape: centralization indirectly increased perception of red tape by decreasing "team interest" climate (H10b). Hypotheses 8b and 12b, which posited indirect relationships for centralization on red tape with the other two climates in mind, were not supported, as the indirect effects were not significant.

What does all this mean? Well, it can be concluded that for rule bending behavior, climate is critical. Climate not only influences rule bending behavior directly, but it also influences the relationship between the bureaucratic structure mechanisms and rule bending.

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While only one climate provides indirect relationships between bureaucratic structure and perceived red tape, the answer to this research question lies as such: organizational norms certainly can influence the ways in which structure affect rule consequences and the results addressed above and in chapter four show how. In all, there is considerable support that organizational norms—particularly in the form of ethical climate—matter in how we structure organizations to reduce deviant behavior, and in some way, reduce perceptions of red tape.

Significance of Findings

In addition to the ability to address the original research questions, this study informs existing theory and knowledge in many ways. Not only is there a considerable contribution to public administration scholarship, there is also quite a bit of insight that is useful for practice. Below are ways in which this research enriches current scholarship and practice.

Bureaucratic Structure

In all, this study makes more known about the relationship between bureaucratic structure and outcomes of rules. In terms of practice, light is shed in several ways. First, centralization and formalization, both of which are methods of bureaucratic control, bring about different results. Overall, it seems that formalization is a more effective method of limiting deviant behavior and that centralization contributes to perceptions of red tape. Even though both are considered beneficial for the organization, this may not be so in practice. Interviews indicate that public employees value rules in some way but tend to dislike asking for permission or authorization from their superiors, especially when rules are in place. Centralization seems to lead to inconsistent rule application—some people must follow the rule, some people can get

away without following the rule—which then leads to a frustrated bureaucrat. As a result, public managers should consider the impact of how their organizations are structured and whether or not the outcomes they are getting are the outcomes they want or intend. Gouldner (1954) suggested that rules can take the place of supervision, or perhaps in this case, centralization. While this study cannot contribute to support directly to that claim, there are traces of evidence that point to it, particularly in the interviews. Thus, public managers should consider the validity of centralization and verbal commands within their organization. Additionally, inconsistent rule application seems to frustrate bureaucrats. While this was not a variable explored here, it was a prevalent theme within the interviews and should be considered for theoretical exploration in the future. If this theme is found to be a common one, public managers might wish to consider the potentially negative impacts inconsistent rule application may have on employees.

Ethical Climate

An important addition to the extant literature lies in the findings regarding ethical climate. Ethical climate has very limited exposure within the public administration community. Wittmer and Coursey (1996), in one of the only known ventures into ethical climate within the field of public administration, looked at differences in managerial perceptions of ethical climates in the public and private sectors. Using responses of eleven ethical climate items, they found that public sector managers viewed ethical climates less positively than private sector managers. Because they did not survey employees of an organization or factor-analyze the results, it is unknown whether particular climates were perceived as more dominant than others. Some business scholars have studied ethical climate in the public sector in a way that is more in line with ethical climate theory tradition. Deshpande (1996) and Agarwal and Malloy (1999)

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considered ethical climate within nonprofit organizations with Malloy and Agarwal following up with a later study that compared non-profits and government organizations as well (2010). Besides these three studies, there is very little research that considers ethical climate in the public sector, rendering this present study a significant contribution to the literature as well as creating avenues for further research.

Specifically, when accounting for ethical climate within an organization, we learn more about the nuances of using structure as a control mechanism. For example, rule bending behaviors are explained in greater depth once ethical climate is introduced as an important factor, as indicated by the increase in the amount of variance explained (a jump from 13.4 percent in the model excluding ethical climate to 30.8 percent in the model including it.) Rule bending can be seen now as a behavior not only influenced by structure, personality, and demographic characteristics (DeHart-Davis, 2007; Portillo & DeHart-Davis, 2009), but also by organizational norms. While this may have been assumed, it has never been tested in this way. The present research leads to the conclusion that ethical climate exists and is important in its influence on organizations and bureaucratic behavior.

Lastly, ethical climate is malleable. Victor and Cullen (1987, p. 69) stated that "[u]nderstanding the antecedents and consequences of ethical climates should prompt the design of intervention strategies to change climates and evaluation research to assess change strategies." This suggests that ethical climates can be altered or influenced in such a way that a desired climate can be the prevailing ethical climate within an organization or work division. Public managers who understand the ethical climate(s) in their workplace and wish to instill a desirable or preferred climate can theoretically institute training on how ethical decisions should be made. Berman and West (2004) found that two-thirds of the public organizations they surveyed

conducted ethics training. They noted that ethics training tends to focus on the "low" and "high"

roads of ethics: the "low" road "involves efforts to help organizations avoid the embarrassment

associated with allegations of legal wrongdoing" while the "high" road "includes efforts to

develop employees' capacity to identify, articulate, and resolve issues" (Berman & West, 2004,

p. 190). The low road approach to ethics training might focus on rules related to matters of

ethical nature, such as gifts policies or proper contract proceedings, while the high road might

focus more on developing one's ability to problem-solve through ethical dilemmas. Ethical

climate training, which can be integrated with current ethics training, can help bridge those two

roads by teaching employees which problem-solving approach to take—that approach being

related to a particular climate. For example, if an organization would prefer to have a

"rules/SOPs" climate within which ethical decisions should be made with close attention to and

respect for organizational rules, it can find ways to impress upon its members that this method of

decision making should be incurred. In other words, ethical climates can be "made-to-fit" where

appropriate, making this theory particularly attractive for practice.

Rule Bending

The idea of pro-social rule breaking is mentioned many times within this study. It is seen

a potential dimension of rule bending and encompasses several reasons why employees may rule

bend. Based on the data sources, however, it is impossible to know exactly the motives behind

the rule bending behaviors undertaken by public employees. Instead, this is something that

scholars studying rules and rule bending should consider in the future. This theory does provide

a counterpoint to the perception that rule breakers are self-interested (Vardaman, Gondo, &

Allen, 2012; Robinson & Bennett, 1996; Griffin & Lopez, 2005) by showing that sometimes

"deviant" behavior is done in the name of what is best for the organization (Morrison, 2006). If

this is the case, then this behavior might be less deviant and more desired. Organizations should

further consider this behavior as a mechanism for feedback. Pugh (1966, p. 237-8) stated that:

> The contemporary British manager Wilfred Brown (1960) ...noted that wherever
>
> there is an authority system (i.e., a situation in which some people are in a
>
> position to make decisions, give orders, allocate work, etc., to others) there are
>
> also developed ways of letting those in authority know what the people
>
> underneath them think and feel about those decisions, even if in only the most
>
> rudimentary and unsystematic way.

In this case, the behaviors and attitudes that result from responding to rules are a way to

assess how those rules are working. Rule bending may indicate that there is an

underlying issue that may need fixing. Therefore, public managers should consider this

behavior as a potential "symptom" of an issue worthy of addressing. In the meantime,

public managers should also remember that rule bending may happens in the name of

their best interests.

Perception of Red Tape

Perception of red tape is tackled a bit differently in this study than it has been tackled

before. Before discussing the merits of the red tape measure introduced here, there are some

interesting findings from the interview data that deserve mention. In five interviews (two from

City A and three from City B), interviewees mentioned red tape, unprompted. What is

particularly compelling is the way in which they use the term:

- "Before I started in city government, the term 'bureaucrat' came with the title 'red tape' and 'incompetent butthead.' I still remember when someone first called me a bureaucrat and I'm like, 'What the hell?' My boss said, 'Well, you are.' I'm like, 'Son of a bitch.' I don't like the term because there is a negative connotation to it." (August 28, 2009, City B employee)

- "I thought there would be a lot of red tape at [City A]. The politics, issues like when elections are coming. Don't do this, which is part of our job, elections coming up. We don't want to rock the boat… There is some red tape, but not as bad as what I thought it would be. It really hasn't been that bad. I work eight to five and don't think about work for the rest of the evening." (June 15, 2009, City A employee)

- "It's probably the worst part about my job just the politics of it. [The interviewer asked for clarification, whether they mean 'uncertainty.'] Well …there's also rules and regulations. What you have to go through to get a project done. Just the red tape and everything you have to go through. They talk about waste and I guess some of that waste is there not necessarily by people but by policies and procedures." (n.d., City B employee)

- "Sometimes the rules that they make at the health department are not conducive to accommodating the client. Right now I do refugee processing. I interview refugees first, then I decide which clinic they should go through. That's time consuming and can't be done all at once. The refugees don't speak English, so they need an interpreter service. If there is a family of seven, it will take a good hour before you can get them processed. They need a TB screen, stool sample for parasites, then we schedule them for physical assessments. The first day I'm with them three and a half hours. All their kids are with

them. Right now I'm scheduled until September for doing initial interviews. Refugees get Medicaid, which is good for eight months from when they arrive in US. It takes six months to complete the immunization process. If it's two months before I see them, they will lose their Medicare. Them going through that red tape, it should never have been like that. So I talked to the supervisors at the clinics. And they agreed to let them walk in when it's convenient for them. Also, I divided the processing up into two visits, so that families would not have to be here so long." (June 17, 2009, City A employee)

- "The public sector is totally dysfunctional. The simplest tasks become dysfunctional. The red tape is huge. Any easy task becomes difficult. [The Interviewer asked what is meant by 'red tape.'] Unnecessary delays constitute red tape. There are city policies that apply only to our department there are some rules that don't apply. Even though we are part of the city, a majority of those policies don't apply. You are constantly dealing with two different sets of policies and guidelines. For example, if you and I go to on a business trip we get different amounts of money for our travel. You would get 39 dollars and I would get 25, all because you're a member of [the union]. …I don't complain about rules. Sometimes you have to follow rules whether you agree with them or not. Even if there is red tape that comes with it." (n.d., City B employee)

In none of these excerpts do the interviewees refer to red tape as it is studied in the public administration literature, which tends toward Bozeman's (2000) definition pertaining to ineffective rules. Instead, the interviewees are referring to politics, delay, and waste. In the first excerpt, the employee discusses how he was called a bureaucrat, which has a negative connotation to him; since he also mentioned red tape, it can be assumed that he sees that as having a negative ring to it as well. In the second and third excerpts, the interviewees are

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discussing red tape in terms of politics, though the second of the two, from City B, clarifies that

in terms of waste. The final two excerpts, one from each city included in the study, refer to red

tape as delays. In the first, the health department worker is concerned about how long it takes for

refugees to be processed, noting that the lengthy amount of time seems unnecessary. In the

latter, the employee specifically states that red tape refers to "unnecessary delays" but also

mentions inconsistency in rules. It is possible that both are related to red tape in his mind.

As evidenced, there is a disconnect in what the scholarly community sees as red tape and

what those in practice see as red tape. Bozeman and Feeney (2011, p. 3) noted that "popular

usage of the term 'red tape' requires no precision." While this may be true, there is disconnect

between the popular usages of the term—what it means to someone who works with it—and the

scholarly usage of the term, which is more pinpointed as ineffective rules. In this study,

measures of red tape did not include the actual term "red tape," which is unlike the commonly

used General Red Tape (GRT) scale. The commonly used measure introduces the respondent to

the term red tape, along with a definition of what the scholars intend for the term. However,

popular culture instills a negative connotation regarding the term (Bozeman & Scott, 1999). The

measures used in this study remove the words "red tape", which in turn, effectively removes the

bias that might come with an item that includes them. These measures are matched with the

operational definition of red tape (Bozeman, 2000), which lends to its content validity while the

relatively strong factor loadings in both red tape models in this study provide support for its

construct validity. Bozeman and Feeney (2011, p. 127) stated that "no one really feels that the

concept of red tape has been nailed" in previous literature. They further argued that (p. 127):

> Developing additional, stronger constructs of red tape can help the advance of red
>
> tape research in at least three important ways. In the first place, applied and

clinical research on red tape, quite scarce at present, will not likely thrive until red

tape constructs tap more of the experience of citizen and organizational members

affected by dysfunctional rules and regulations. Second, new constructs will

permit red tape researchers to build on past methods and approaches but take

these to new research topics. Third, significant new advances in empirically

based red tape theory require constructs closer to the theoretical concepts

developed thus far. Extant concepts seem to signify the red tape that people

actually experience; it is the constructs generally employed that fail to capture

these experiences fully.

While the measure introduced here may not "nail" red tape, it may contribute to all three of those

ways, particularly by trying to capture the experiences practitioners have with burdensome,

ineffective, and unnecessary rules in a more precise way. In all, it is a start.

Minority Status

Another measurement contribution lies in the way in which race and gender were both

measured, which is through minority status. It is very common for public administration

theorists to include some sort of sociodemographic variable(s) within their research. However,

race and gender are often treated as mutually exclusive categories. Insight from Crenshaw

(1989) provides an interesting perspective: when considering race and gender, it seems that

"blacks" refer to black men, while "women" refer to white women. She argues that in feminist

theory and in law, there is little inclusion of the black woman, who does not seem to have a place

in either of those categories. In her critique, Crenshaw (1989, p. 155) noted that:

> Statements such as "men and women are taught to see men as independent, capable, and powerful; men and women are taught to see women as dependent, limited in abilities, and passive,"[19] are common within [feminist] literature. But this "observation" overlooks the anomalies created by crosscurrents of racism and sexism. Black men and women live in a society that creates sex-based norms and expectations which racism operates simultaneously to deny; Black men are not viewed as powerful, nor are Black women seen as passive.

Here, Crenshaw was referring to some common assumptions about gender that do not necessarily hold across ethnicities. With this in mind, a more intricate measure of race and gender that included both gender and minority status seemed more appropriate as opposed to mutually exclusive variables of each. While Crenshaw's comments are specific to the black woman, the measures used grouped minorities together. This is a limitation in that there may be even more nuance to be found by further separating out categories of identity, but the measure as it was used is an improvement over the standard separate gender and race categories.

The use of this cross-coded method to measure minority status mostly held up according to expectations, but there were some nuances that warrant further review. Minority females were not significantly more or less likely to perceive red tape and although they were less likely to bend rules, this significant relationship did not hold up when ethical climate was included in the model. These nuances could be due to measurement and modeling or could be due to some underlying difference that should be explored further. Managers should keep in mind that individual differences in responses to rules may be kept to a minimum by encouraging

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[19] Richard A. Wassterstrom, *Racism, Sexism and Preferential Treatment: An Approach to the Topics,* 24 UCLA L Rev 581, 588 (1977).

appropriate organizational norms (ethical climate being one of them.) Additionally, in cases where pro-social rule breaking may be desirable or preferred, managers can consider empowering organizational employees who may default to sticking to the rules.

Research Questions for the Future

There are many research questions that result from this study. While the previous section addressed some items that should be considered in future research, there are still some broader research questions that arise. First, ethical climate theory has had very little theoretical application within the public administration literature to date. While this study considered the influence of ethical climate on bureaucratic structure and rule consequences, there are many other questions about ethical climate to be answered. The first is *What ethical climates are prevalent in the public sector?* As mentioned above, some studies have explored this question, but some homegrown public administration research may provide other insights. Similarly, one might ask *What ethical climates are most beneficial to the public sector organization?* Because ethical climate theory is born out of the business literature, its normative underpinnings are geared toward private organizations. The climates most appropriate for private organizations may or may not be most appropriate for the public organization in their quest to achieve organizational goals. Lastly, this study only considered three of the nine theoretical ethical climates, leading us to ask *What influence do other climates exert on the relationship between structure and rule consequences?* Additionally, and more broadly, it makes sense to wonder *What else does ethical climate influence?* Ethical climate may influence organizational performance, employee job satisfaction, and public service motivation, to name a few.

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Several research questions also arise from the rule consequences included in this study. There was much mention of pro-social rule breaking. This theory (Morrison, 2006) provided some insight on the relationships tested here but since the motive for rule bending was unknown, its prevalence cannot be speculated. This theory presents several research questions for the future:

- *How common is pro-social rule breaking?*

- *What are the consequences of pro-social rule breaking? How does it affect performance?*

- *How do public managers view pro-social rule breaking, in light of the idea that it is done often for the betterment of the organization?*

In all, recent research on public employee rule bending has looked at its causes but not at the motives behind the behavior.

Red tape is a thriving body of literature within public administration and this study contributes several new questions to consider. The first concerns itself with measurement: *How does the measure of red tape used in this study compare to the commonly used General Red Tape Scale?* It is unknown whether or not this measure is any better or worse than other red tape measures used in the past. What is known, however, is that the measure used here is an appropriate one, both because of its focus on perception of red tape and because of the data and methods used. The second research question that arises has normative links. Red tape is long-touted as being detrimental to the organization and as such, it makes sense to want to keep it to a minimum. Because this study found that centralization can increase it, one might ask *How can perception of red tape be reduced?* This answer might lie in some of the ethical climates or it might lie in reconsidering the effectiveness of structural components of bureaucracy. Lastly,

research should consider the following question: *What is the nature of the relationship between perception of red tape and the propensity to bend rules?* It has been suggested that perceived red tape is often a trigger for rule bending, but future research should consider this more fully.

Lastly, minority status was included in this study as a way to consider individual characteristics and how they may influence rule consequences. In all, these findings were significant: minority status was shown as having an impact on willingness to bend rules and the perception of rules as red tape. What this research was not able to consider, however, is why there are differences between one minority status group and another (e.g. white females and minority males.) Thus, a research question moving forward might be *What is the nature of minority status in organizations and how do differences in minority status matter?* Similarly, the way in which race and gender were included—as variable that crosses both—may be a more meaningful way to study race and gender within public administration literature.

Study Limitations

This study used mixed-methodology to analyze data from two Midwestern cities. While both of these are considered strengths, they also contribute to limitations. First, although interview data contributed support to some of the statistical findings, they did not provide any insight into ethical climate. Additionally, self-selection bias is present with interviews. Those who chose to be interviewed may provide different information than those who chose not to participate. Secondly, survey data from both cities were only included in the models excluding ethical climate. Results pertaining to ethical climate cannot be generalized across both contexts. However, due to the limited inquiry into ethical climate within the public organization context, this study is just a start. Future research should consider the inclusion of several contexts.

Final Thoughts

In all, this research presents several findings of both theoretical and practical implications. Ethical climate has a great impact on bureaucratic behavior. Bureaucratic control mechanisms may or may not work and their efficacy should be considered in tandem with organizational norms. As the indirect relationships show, these norms—here in the form of ethical climate—may deeply impact the ways in which institutional structures operate. Additionally, the minority characteristics of employees within an organization should also be considered, if not for practical purposes, but for the theoretical contributions in how that standing affects bureaucracy. It is understood that bureaucracies are rife with human elements. Bureaucratic structure works to minimize the impact of these human elements but can only do so in small ways. Instead, attention should also be paid to what else affects these human elements, one of which is ethical climate (which can also be affected by human elements.) A more well-rounded approach to study bureaucracy, one that includes structure, personality, and norms, can contribute to more valuable insights into both theory and practice.

Table 5.1: Hypotheses and Findings

	Hypothesis	Findings
H_1:	The higher an organization's formalization, the lower the rule bending behavior.	*Supported*
H_2:	The higher an organization's formalization, the higher the perception of red tape.	*Not supported; significant in opposite direction*
H_3:	The higher an organization's centralization, the higher the rule bending behavior.	*Not supported; not significant*
H_4:	The higher an organization's centralization, the higher the perception of red tape.	*Supported*
H_5:	Minority status will lead to lower rule bending behavior.	*Supported*
H_6:	Minority status will lead to lower perception of red tape.	*Partially supported (minority women not significant)*
H_7:	Formalization will exert an indirect effect on rule consequences when accounting for "organization interest" climate.	
	H_{7a}: Formalization will have a negative, indirect effect on rule bending by increasing perception of an "organization interest" climate.	*Partially supported; formalization decreases "organization interest" climate*
	H_{7b}: Formalization will have a positive, indirect effect on perception of red tape by increasing perception of an "organization interest" climate.	*Not supported; not significant*
H_8:	Centralization will exert an indirect effect on rule consequences when accounting for "organization interest" climate.	
	H_{8a}: Centralization will have a positive, indirect effect on rule bending by increasing perception of an "organization interest" climate.	*Supported*
	H_{8b}: Centralization will have a positive, indirect effect on perception of red tape by increasing perception of an "organization interest" climate.	*Not supported; not significant*
H_9:	Formalization will exert an indirect effect on rule consequences when accounting for "team interest" climate.	
	H_{9a}: Formalization will have a positive, indirect effect on rule bending by increasing the perception of a "team interest" climate.	*Supported*
	H_{9b}: Formalization will have a negative, indirect effect on perception of red tape by increasing perception of a "team interest" climate.	*Supported*
H_{10}:	Centralization will exert an indirect effect on rule consequences when accounting for "team interest" climate.	
	H_{10a}: Centralization will have a negative, indirect effect on rule bending behavior by decreasing perception of a "team interest" climate.	*Partially supported; centralization has a positive indirect effect*
	H_{10b}: Centralization will have a positive, indirect effect on perception of red tape by decreasing perception of a "team interest" climate.	*Supported*

H_{11}:	Formalization will exert an indirect effect on rule consequences when accounting for "rules/SOPs" climate.	
	H_{11a}: Formalization will have a negative, indirect effect on rule bending behavior by increasing perception of a "rules/SOPs" climate.	*Supported*
	H_{11b}: Formalization will have a negative, indirect effect on perception of red tape by increasing perception of a "rules/SOPs" climate.	*Not supported; not significant*
H_{12}:	Centralization will exert an indirect effect on rule consequences when accounting for "rules/SOPs" climate.	
	H_{12a}: Centralization will have a positive, indirect effect on rule bending by decreasing perception of a "rules/SOPs" climate.	*Partially supported; centralization has a negative indirect effect*
	H_{12b}: Centralization will have a positive, indirect effect on perception of red tape by decreasing perception of a "rules/SOPs" climate.	*Not supported; not significant*

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Appendix: Qualitative Coding

Coding the interviews in this study was an iterative process. First, interviews were coded with codes in mind based on the variables in this study. These codes included "rules," "rule bending," and "red tape." Other themes found in the interviews were also coded, though they may not have been of relevance to this study. These included "unions" and "diversity," among others. After the initial coding process, each interview was combed through and sorted by code category. The "rules" code included many subcodes, which were added as necessary in the second round of coding. Subcodes included "effective," "ineffective," "good," "bad," "purpose," "understood," "implementation," "written," "unwritten," "consistency," "volume," and more. These subcodes were utilized to provide context of the rules discussion within the interview.

A new Microsoft Excel spreadsheet was created with tabs corresponding to each major theme relevant for the study. These themes included "red tape," "rules," "rule bending," "formalization (written)," "centralization (authorization)," "effective/good rules, ineffective/bad rules," "consistency," "implementation," and "other." The first five themes are directly related to the research in this study, why the remaining four are themes related to rules that were prevalent; these themes contribute to some of the study's resulting research questions for the future. Excerpts used in this study are seen as typical: they provided succinct examples to support or refute the findings. They are not intended to represent outliers.