MANAGING THE ORGANISATIONAL CHANGE
THROUGH BUSINESS PROCESS RE-ENGINEERING

Mohd. Arif*

ABSTRACT
The idea that the change is essential, desirable and constructive within the established pattern of organisation is realistic. Top management of the organisation recognises the need and sets the tone for a change. This kind of change compels either innovation or improvement or both. In the present dynamic business environment, organisations are necessarily to be alert for new challenges and opportunities, because of a single change in the existing system affects all parts of the system. So a continuous process of managing the change is required for all types of business. The organisations are considering Business Process Re-engineering (BPR) as conspicuous tool for restructuring the organisation for facing the various challenging forces like increase in global competition, customer requirements and new information technologies etc. Business process re-engineering is a combination of both the process review and the applications of Information Technology that makes tremendous organisational changes possible. According to a survey by International Overseas Consultants, a recruitment organisation, 60% to 70% of corporate change programmes are regarded as having ‘failed’. It has been observed that only 16% of senior corporate executives were fully satisfied with their re-engineering programmes, in contrast 68% were experiencing problems. The aim of this paper is to study the current scenario of organisational change, various steps involved in BPR, concept of change management how the organisation may use BPR for managing the organisational change.

Key Words: Business Process Restructuring, Change Management, Organisational Change.

INTRODUCTION
The organisations are considering Business Process Re-engineering as conspicuous tool for restructuring the organisation for facing the various challenging forces like increases in global competition, customer requirements and new information technologies etc. Business process Re-engineering is a combination of both the process review and the applications of Information Technology that makes tremendous organisational changes possible. In present dynamic business
environment, organisations are necessarily to be alert for new challenges and opportunities, because of a single change in the existing system affects all parts of the system. So a continuous process of managing the change is required for all types of business. The idea that the change is essential, desirable and constructive within the established pattern of organisation is realistic. Top management of the organisation must recognise the need and set the tone for a change. This kind of change compels either innovation or improvement or both. In fact, the process of Re-engineering not only fosters favourable climate supportive of desirable change but also improves the organisations’ probability of success. Business Process Re-engineering (BPR) is known by many names, such as ‘core process redesign’, ‘new industrial engineering’ or ‘working smarter’, all of them imply the same concept. Re-engineering, often called business process Re-engineering (BPR) is an effective means to accomplish tremendous changes within an organisation. It starts with a high-level assessment of the organisation’s mission, strategic goals, and customer needs.

The origin and scope of BPR is derived from the concept of innovation, which involves discovering how business processes currently operate, how to redesign these processes to eliminate the wasted or redundant effort, improve efficiency, and how to implement the process changes in order to gain competitiveness. BPR is a complete life cycle approach and provides the scope for problem identification and also solutions to implement the successful business operations.

BPR consists of four elements — strategies, processes, technology and people. The first element ‘Strategies’ includes organisation strategy, technology strategy and human resources strategy. The determination of all strategies is performed with respect to those dynamic marketplaces where the organisation is acting on and it is focuses on external presumptions for successful acting on markets. The second element ‘Processes’ includes the identification core processes which are satisfying customer needs and add value for them. The processes can be defined on different levels within the organisation. The third element ‘Technology’ refers the information technology, which is considered as the major enabler for spanning new processes over functional and organisational boundaries and supporting process-driven organisations. The fourth element ‘People’ includes the human activity system within the organisation which is the most critical factor for Re-engineering as BPR often is used for cutting hierarchies, reducing the work force, align the work force with the strategies defined and address the variable cultural and environmental contexts within the organisation. Business Process Redesign or Re-engineering can be defined as the analysis and design of workflow and processes within and between organisations. BPR has three key target categories:

In the competitive era, it is essential for the organisation to provide the product/services to the customer more than they want. To gain such advantage, introducing the BPR is required. Nowadays, effectiveness is prime objective of the organisation which includes, how effective is the product or service providing the customer? If whatever product or service the business might be providing to the customer is successful then the customers would automatically want to buy the product or service again, for this BPR is essential.

Efficiency is one of the key categories which is more important than any others which includes how efficient is the company to introduce the product to the market at minimum costs? Efficiency is not just about being efficient at the production floor level but the management level also has to be efficient.
APPROACHES TO BPR PRINCIPLES

There are various approaches to the principles of business process re-engineering. According to Andersen Consulting, BPR should include the flexibility, joint teaming, work toward strategic objectives, knowledge management and transfer, willingness to assume an implementation and an advisory role and delivering value etc. Hammer also suggests many principles of re-engineering like link parallel activities instead of integrating their results, put the decision point where the work is performed, and build control into the process, capture information once and at the source etc. Most popular Boston Consulting Group use a set of 12 principles of BPR like senior management must lead re-engineering, strategy must drive re-engineering, add value for customer, focus on process, not function, play to win, take a system view, preplan and learn as you go, no one size fits all, metrics matter, care for the human dimension, re-engineering is not a one-time thing, communicate and communicate and communicate etc. Actually principles for BPR are not constant for each business organisation. The adoption of suitable principle(s) largely depends on the time, need and nature of the process which is the subject of re-engineering.

STEPS FOR BPR

There are various steps which are required for the success of BPR process. These steps depend on the nature of the process and other relevant factors. The most common steps are as follows:

Step 1 - The first step is to begin the organisational change activities. It includes assess the current state of the organisation, explain the need for change, illustrate the desired state and create a communications campaign for change. In this step, it is to determine whether change by doing BPR is really necessary. This step is also considered what changes may be occurring, and what new circumstances exist in the business environment that needs to be evaluated. People are the agents of change, if an organisation wishes to change; it must turn to its people to make it happen. BPR can potentially require significant changes throughout an organisation, so it must begin with a communications campaign to educate all those who will be impacted by this change. Communication to all levels of personnel must remain active from start to finish keeping everyone involved and working towards a common goal. BPR is most effective when everyone understands the need for change, and works together to tear down old business systems and build new ones. In order to embrace change, everyone must understand where the organisation is today, why the organisation needs to change, and where the organisation needs to be in order to survive.

Step 2 – This step is to build the re-engineering organisation activities. An infrastructure must be established to support re-engineering efforts. It includes establish a BPR organisational structure; establish the roles for performing BPR and choose the personnel who will re-engineer. Allocating the responsibility of a process to a specific person ensures that someone is in charge of how that process performs.

Step 3 – This step is to identify BPR opportunities activities. In this phase, the potential change enablers are identified, the processes that should be re-engineered, the customer’s desires and actual needs, new process performance objectives, key process characteristics and the potential barriers to implementation etc. At this point, it is helpful to begin thinking about potential change levers, which may lead to dramatic changes in the organisation’s processes. Change
levers usually will fall under one of three categories i.e., the use of information, the use of information technology, and human factors.

Step 4 – This Step is to understand the existing process activities. In this step it is understood why the current steps are performed, understand how technology is currently used, how information is currently used, understand the current organisational structure and compare current process with the new objectives. Once new process objectives are clearly defined in Step 3, one can measure the existing process in terms of the new objectives to see where the organisation is and how far organisation has to go. It not only helps us to better understand the existing process, but also helps us with planning the migration from the old to the new process and executing the physical transformation of personnel, organisational structures, information requirements, and technology used. Basically this step is problem-identification step, once a problem identified then goes for next phase i.e. re-engineering.

Step 5 – This step is to actual re-engineer the process activities. It ensure the diversity of the re-engineering team, question current operating assumptions, brainstorm using change levers, brainstorm using BPR principles, evaluate the impact of new technologies, use customer value as the focal point. During this phase, the actual ‘re-engineering’ begins. This step moved from strategy and analysis step into the redesign phase. The Re-engineering Team that was formed to take part in the re-engineering sessions should consist of designers and implementers, including people well-versed in technology.

Step 6 – This step is to make blueprint of the new business system activities. Blueprints are detailed plans required to build something in accordance with the designer’s intentions. This step takes the re-engineered process developed in the previous phase and provides the details necessary to actually implement it. Blueprinting involves modeling the new process flow and the information required to support it. In addition, detailed technology specifications required to support the new process should be defined. New management strategies, new performance measurements, compensation systems, and rewards programs are outlined during this step.

Step 7 – This step is to perform the transformation activities. During this step a migration strategy is developed and a migration action plan is created. Migration strategies include a full cut over to the new process, a phased approach, a pilot project, or creating an entirely new business unit. Successful transformation depends on consciously managing behavioural as well as structural change with both sensitivity to employee attitudes and perceptions. The new process will probably require a new organisation, different in structure, skills, and culture.

CHANGE MANAGEMENT: CONCEPTUAL FRAMEWORK

Change management helps managers deal with issues such as how quickly change should proceed, the order in which changes should take place, whether to start at a new site, and whether the proposed systems are stable. Change management is a strategic activity aimed at getting the best outcomes from the change process.

It is an important lesson for business process re-engineers that organisational change always requires significant change in people. It is essential to focus on changing people as well as other aspects of the organisation, because people make the difference in organisational performance and have ideas for productive change. Without change in human knowledge, skill, and behaviour on the job, change in technology, processes, and structures is unlikely to yield long-term benefits.
Change Management is the process for managing the implementation of changes to hardware, software, services or related documentation. It is a process that enables the actual change to take place. The elements of the process include impact assessment, approval, scheduling, implementation and communication. Change Management works essentially by carrying out consistent planning, communication, approval and scheduling of change using a repeatable process and involving regular contributors.

Change is an important factor which affects the organisational excellence. Change may be two types i.e. internal and external. Internal change is a structured program which is an ongoing phenomenon within an organisation. They are controlled and managed from within the organisation in an orderly, planned, and systematic way. Whereas external changes are environmental changes which come from outside the organisation; and the organisation exercises little or no control over them. In business, this could mean shifting economic tides, new competitors, or radical technology developments. In government, it can mean changes in the world situation, the administration, legislation, budgetary issues, or management reform. Change management can be viewed from two perspectives; one from those implementing the change and other from the recipients of change. A view of change management varies dramatically if the executive is demanding the change versus the front line employee who may be unsure why a change is even needed. In many cases at the onset of a new change, neither the executive nor the front-line employee is knowledgeable about managing change. They are the first to realise the two dimensions of change management i.e. (i) the top-down managers’ perspective and (ii) the bottom-up employees’ perspective.

Change management is the process of developing a planned approach to manage the organisational change. It can be conducted on a continuous basis, on a regular schedule like an annual review, or when deemed necessary on a program-by-program basis. It consists of the following phases:

1. **Preparing the change:** Define the change management strategy. Prepare the change management team.
2. **Managing Change:** Develop change management plan. Take action and implement plan.
3. **Reinforcing Change:** Collect and analyse feedback. Diagnose gaps and manage resistance. Implement corrective action and celebrates successes.

**STRATEGIES FOR MANAGING THE CHANGE**

Various strategies have been developed for managing the change. Selection of the strategy depends on nature of business and other-related factors. Some of important strategies are as follows:

**Directive strategies:** This strategy highlights the manager’s right to manage change and the use of authority to impose change with little or no involvement of other people.

**Expert strategies:** This approach sees the management of change as a problem solving process that needs to be resolved by ‘expert’. This approach is mainly applied to more technical problems, such as the introduction of a new learner management system.

**Negotiating strategies:** This approach highlights the willingness on the part of senior managers to negotiate and bargain in order to effect change. Senior managers must also accept that adjustments and concessions that may need to be made in order to implement change.
Educative strategies: This approach involves changing people’s values and beliefs to fully support the changes being made and move toward the development of a shared set of organisational values that individuals are willing and able to support.

Participative strategies: This strategy stresses the full involvement of all of those involved and affected by the anticipated changes. Although driven by senior managers the process will be less management dominated and driven more by groups or individuals within the organisation. The views of all will be taken into account before changes are made.

Organisational change management is the management of change from the perspective of a manager or project team. The focus is around broad change management practices and skills that will help the organisation understand, accept and support the needed business change. The primary focus is around change management strategies, communication plans and training programs. It provides the knowledge and skills to implement a methodology and tools for managing change throughout an organisation. For the changes to be effective and the full benefits achieved on an ongoing basis, planning for change, both during and after the project, is very important. Overall strategic direction for the management of change within the organisation may have been established already, and articulated in relevant strategic plans or similar documents.

ELEMENTS OF ORGANISATIONAL CHANGE

The main elements of organisational change are as follows:

Transition Planning: Transition planning involves planning for the new, post-project environment. It can be achieved by seeking the answers to the various questions like: what is the current situation, how will the projects change it? How will the Business Unit move from the current situation to the new situation? What are the costs and resource requirements of the transitional arrangements? To assist in identifying the effect that the projects will have on the business processes, it is necessary to examine these processes called pre-project within the organisation.

Communication Planning: Communication is one of the most important aspects of leading change. An effective communication strategy contributes to the success of organisational change management and BPR. It is vital that a communication strategy and action plan be central to any planning for the management of organisational change. This type of communication is aimed at those directly affected by the changes.

Training Planning: In order to ensure that planned changes affecting business processes are successful, a Training Plan should be developed. This plan should identify which groups or individuals require training? What are the training requirements? How, where and when the training will be delivered? Who will deliver the training?

CHALLENGES IN MANAGING THE CHANGE

In theory, bringing about change in an organisation, which needs to adjust to the changes of the market or demands from its counterparts, seems like a logical step. In reality, however, changing the structure of an organisation or its strategies is usually a stressful and often painful task. According to a survey by International Overseas Consultants, a recruitment organisation, 60% to 70% of corporate change programmes are regarded as having ‘failed’. It has been
observed that only 16% of senior corporate executives were fully satisfied with their re-engineering programmes, in contrast to the 68% who were experiencing problems. In order to implement successful change programmes, it is crucial to be able to identify potential barriers to restructuring and re-engineering. The people in the organisation, the structure of the organisation, and the various system problems can create these hurdles.

Most people don’t like change because they don’t like being changed. When change comes into view, fear and resistance to change follow, often despite its obvious benefits. People fight against change because they fear to lose something they value, or don’t understand the change and its implications, or don’t think that the change makes sense, or find it difficult to cope with either the level or pace of the change etc. The process of change has impact on the whole organisation and on all individuals working there. Change processes influence what the organisation does, the way the organisation does things and the way all business units of the organisation communicate and share information.

Human resource management has an important role in any change process. Change always needs people, for developing objectives, for identifying the need for change, for developing solutions and for implementing these solutions. Technology can support and influence change, but it can never replace people. Another challenge of managing change is that there is no chance to ‘undo’ mistakes once they were made. If resources are allocated inefficiently, it still has the option to provide additional resources in order to achieve the objective. If one failed to make the employees participate in the change process, it will be a hard task to motivate them again.

CONCLUSION

Concluding it, we can say that no business process re-engineering can be achieved success without managing the change. Change is always creating a fear in the people who are under employment of any organisation as well as outsider. Business process re-engineering has various steps to its implementation but these steps should be collaborated with the change management phases for better results. In the way of successful re-engineering process, without application of change management, it is very hard task to remove various barriers which play a crucial role in any change in organisation. BPR can be used as tool for organisation excellence if it is used with suitable principles along with adoption change management characteristics.

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