



REENGINEERING: A NEW PARADIGM SHIFT FOR ORGANIZATIONAL REPOSITIONING

SARKA Solomon Wogan

PhD, MSC, PGDE, BA (HONS),

Department Of Public Administration, University Of Abuja, Federal Capital Territory, NIGERIA

SHIIWUA Mnenga,

MSC, BSC

Department Of Public Administration, University Of Abuja, Federal Capital Territory, NIGERIA

Abstract

This paper attempts an explanation of reengineering as a management concept aimed at improving organizational efficiency but more directed at customer satisfaction and competitiveness. The literature reviewed indicates that reengineering is more rooted in the private sector and has as its benefits the identification of organizational elements that creates cost with view, to eliminating them. Reengineering is criticized for large scale layoffs and too much emphasis on the process as a factor that limits the effectiveness of an organization. It underestimates the resistance to change and laid too much emphasis on technology solutions. The paper concludes that though deep rooted in private sector, reengineering can be transplanted to the public sector bearing in mind the welfarist nature of modern governments and the need to effectively deal with the resistance resulting from reduction in bureaucratic size and layoffs. The paper recommends therefore that organizational member's values and beliefs should not be neglected. To overcome the narrow approach of reengineering, it should be integrated with other systems through a new model called management by process.

Keywords: *Reengineering, Paradigm shift, Management tool, Organization Repositioning, Organization Performance.*

Introduction

Since the emergence of scientific management, scholars at various ages have been evolving measures and mechanisms to either improve on the effectiveness/efficiency of organizations in both public and private sector or to modify existing principles of the organization or better still to add some ingredients considered to be capable of achieving high positive results at reduced cost. This witnessed the movement from scientific management along human relations/behavioural



management with different scholars like *Frederic Taylor(1856-1915)*, *Luther Gulick and Linder Urwick*, *Max Webber (1864-1920)* *Mary Parker Follet (1869-1933)*, *Elton Mayor (1880-1949)*, *Chester Bernard (1886-1961)*, *Abraham Maslow (1908-1970)* and *Peter Drucker(1909-2005)* among others. This effort encompasses organizational theorists like *J.D. Mooney and Spiers* among others.

Reengineering as a concept in management is one of such tools and a product of deep reflection on organization as well as the need to ensure efficiency in management. *Strassmann (1996)* reported that the essence of reengineering is to make the purge of recent excess staffing binges more palatable to managers. Reengineering offers managers an easy way out, as it calls for throwing out everything that exists and recommends constituting a workable organization on the basis of completely fresh ideas. The new business model is expected to spring fourth from the inspired insights of a new leadership team. As organizational technique, reengineering is directed at potential change in, all organizational processes including the systems acquisition process life cycle itself. This problem has been studied previously by *Hammer and Champy (1993)*, reengineering is defined as the fundamental rethink and radical redesign of business processes to generate dramatic improvement in critical performance measures- such as cost, quality, service, and speed. It simply implies the process of reviewing all the levels of an organization's way of doing business and considering how to improve things as such, it means disregard to all the assumptions and traditions of the way business has always been done, and instead develop new process – centred business organization that achieves a quantum Leap forward in performance.

The goals of reengineering therefore includes:-

- a. Increased company profit
- b. Improved competitive advantage in the market place and

Every organization at its inception is structured in the best way possible so as to enjoy effectiveness and efficiency. However, as the organization grows, the system like nature of the organization gets hidden. Distances increase as functions focus on their own needs, support activities multiply, specialists are hired, reports replace face to face conversations and before long the clean visibility of the product and the essential elements of the delivery process are lost. Instead of operating as smoothly linked system, the organization becomes a tangle of conflicting constituencies making coordination difficult. This leads to delays in decision making, in efficiency wastage and poor service delivery at exorbitant cost. Consequently, an increasingly popular way to untangle a corporate process and reduce its consumption of time has been dubbed reengineering. Reengineering seeks to eliminate cost, and to avail technology in enhancing organizational performance and ensure speed and greater effectiveness. Despite these super



flows gains promised by reengineering, it has been greeted with much misgiving. It is accused of insensitivity to the human force in the organisation; it results to large scale layoffs, over dependence on technology and hyperbolic or exaggerated projections.

These issues therefore call to mind the following questions:-

- i. How reengineering did emerged?
- ii. How effective or result oriented is reengineering?
- iii. Is reengineering a useful tool for achieving results in the public sector organisations?
- iv. How could reengineering be appropriately undertaken? These among many other issues formed the core of this study, hence the study will examine some civil service reforms in Nigeria from 1999 - 2010.

Objective Of The Study

Generally, this study is set up to examine the concept of reengineering as an instrument for organizational repositioning. The specific objectives of study are to:

- c. Trace the origin of reengineering
- d. Determine the efficacy or otherwise of reengineering in an organisation
- e. Suggest ways for more rational application of reengineering especially in the public sector.

Methodology

The researchers made use of several relevant literatures reviewed and previous study materials. Thereafter, this study uses secondary data as a means of data collection. This data was collected from textbooks and internet sources. As descriptive in nature, the methodological approach involves an analytical navigation of reengineering in an organization.

Conceptual Analysis (Origin Of Reengineering)

Reengineering is a management concept or tool that became popular in the 1980s and early 1990s (*Guha, Kettinger and Teng, 1993*). *Bassam (2008)* reported that the idea of re-engineering in an organization is not necessarily new, but the development of re-engineering as a modern concept for business derived from a 1990 article by *Professor Michael Hammer*. *Hammer* argued that businesses should reduce and remove any business activities that do not actually work for the good of its customers. By the early years of the 1990s, businesses around the United State were adopting reengineering as a useful improvement process. Like many such



tools, re-engineering aims at cutting costs while at the same time increasing productivity and providing higher levels of service.

Concept Of Reengineering

The heart of re-engineering project is the need to stay competitive in today's business world. It is thus, a process by which the organization that exists today is retired and the optimal version of the new organization is constructed.

Hammer and Champy (1993) reported that;

Fundamentally, reengineering is about reversing the industrial revolution. Reengineering rejects the assumptions inherent in Adam Smith's industrial paradigm the division of labour, economies of scale, hierarchical control and all other appurtenances of an early stage developing economy. Reengineering is the search for new models of organizing work, tradition counts for nothing. Reengineering is a new beginning:

Consequently, reengineering is conceived as:

Is the fundamental rethinking and radical redesign of business process to achieve dramatic improvement in critical contemporary measures of performance, such as cost, quality service and speed (Hammer and Stanton, 1995).

Reengineering proponents do not worry much about formal methods. They practice techniques of emergency surgery, most often by an amputation. If amputation is not feasible, they resort to tourniquet – like remedies to stopping the flow of red ink. Radical reengineering may apply under emergency conditions of imminent danger as long as someone considers that this will most likely leave us with a patient that may never recover to full health again because of demoralization of the work force. Reengineering as currently practiced, primarily by drastic dictate and with reliance on outsiders to lead it, assumes that your own people cannot be trusted to fix whatever ails your organization. It accepts primarily what experts; preferably new comers to the scene have to offer. Consequently, the consultants will recommend what the “to be” conditions ought to look like without spending much time understanding the reasons for the “as-is” conditions. The credo of reengineering is to forget what you know about your business and start with a clean slate to reinvent what you like to be. An important concept that is included in many reengineering models is “downsizing” or the reduction of staff. Getting rid of excess staff members is an obvious and many times painful way to cut costs.



Davenport (2001) reported that because “*reengineering can be a drastic process, employees within the company can often experience a groundswell of emotions, including shock, fear, denial, anger and anxiety. Most of these feelings can be attributed to the strong sense of change that is in the air*”

Features Of Reengineering

This problem has been studied previously by *Hammer and Stanton (1995)*; and identified following as features of reengineering;

- i. Reengineering cannot proceed without the full support of a company’s upper management. With management’s approval, those responsible for reengineering must develop a clear plan of review and a vision for what the results will yield.
- ii. Reengineering is also known for using information technology to forecast a company’s goal and create the necessary databases and networks it can use to create smooth business process.
- iii. Reengineering involves reinventing the company from the ground up. This mindset can lead to liquidations, outsourcing of jobs, and mergers. Still, important things like customer relationships, company history, and the strength of other past assets are not forsaken during this period of starting over.
- iv. Reengineering often tends to be a long, painful, and even confusing process; many companies try to undertake reengineering internally, but with failed results. For these reasons, outside firms are always consulted to help develop the new business design.
- v. Reengineering can be a costly process, outside consultants do not come cheaply and, the implementation of a radically new business design can be expensive.
- vi. For the most part, these outside consultants concentrate on the new business design and do not exhaust too much energy struggling to understand the current state of the company since one of the reengineering ideas is to essentially start from the scratch.
- vii. People in the organization no longer worry about pleasing the boss they focus on pleasing the customer;
- viii. The emphasis within the organization moves away from the individual and towards team’s achievement;
- ix. People within the organization become empowered as opposed to being controlled;
- x. Business processes are simplified rather than being made more complex;
- xi. Professional become the key focus points for the organization, not the managers;
- xii. Organization’s value system transforms from being protective to being productive and the basis for measurement of performance and compensation moves away from activity towards results.



Types Of Reengineering

Reengineering can be seen from two perspectives; process reengineering and product reengineering (*Davenport 2011*).

Process Reengineering: This can be considered at the level of an organizational process. Process reengineering is the examination, study, capture, and modification of the internal mechanisms or functionality of an existing process or systems – engineering life cycle, in order to reconstitute it in a new form and with new functional and non functional features, often to take advantage of newly emerged or desire organizational or technological capabilities; but without changing the inherent purpose of the process that is been reengineered.

Product Reengineering: This can be interpreted as reverse engineering, in which the characteristics of an already engineered product are identified, such that the product can perhaps be modified or reused. Inherent in these notions are two major facets of reengineering it improves the product or system delivered to the enhanced reliability or maintainability, or to meet a newly evolving need of the system users; and it increases understanding of the system or product itself; This definition indicates that product reengineering is basically structural reengineering with at most, minor changes in purpose and functionality of the product. This reengineered product could be integrated with other products having rather different functionality than was the case in the initial development.

Who Reengineers?

Hammer and Champy (1993) reported that the task of reengineering is done either distinctively or with various combinations of the following;

Leader: A senior executive who authorizes and motivates the overall reengineering effort;

Process Owner: A manager with responsibility for a specific process and the reengineering effort focused on it.

Reengineering Team: A group of individuals dedicated to the reengineering of a particular process, which diagnose the existing process and oversee its redesign on implementation.

Steering Committee: A policy making body of senior managers who develop the organization's overall reengineering strategy and monitor its progress;

Reengineering Czar: An individual responsible for developing reengineering techniques and tools within the company and for achieving synergy across the company's separate reengineering



projects; In ideal world *Hammer and Champy (1993)* reported that the relationship among these is that, the leader appoints the process owner, who convenes a reengineering team to reengineer the process with the assistance from the czar and under the auspices of the steering committee.

Reengineering In The Public Sector

Gray (2011) reported that reengineering is about rethinking the organization of work and as such, it applies to any organization in which work is performed. Gray pointed out that the national performance review, chaired by Vice President *Al Gore* in the summer of 1993, led to the reinventing government (ReGo) in USA an initiative, which extensively embraces the reengineering principles.

The agencies of government mostly engaged in reengineering are tax departments. For instance Federal Inland Revenue Service in Nigeria. The tax departments can clearly measure the cost of operation versus revenues raised. However, reengineering in the public sector is not always very successful. This claim can be substantiated using the United States where, despite admirable pronouncements about reengineering the US government, it remains to be seen if that may be a smoke screen to justify more spending. The failure of reengineering in the public sector hinges on three important factors. The difficulty of measuring performance, private organizations can use profits as a yard stick of success. Profit can therefore be improved by lowering costs or by improving quality and service therefore attracting revenues. Public sector organizations, however, have only a cost line, which makes it difficult to assess tradeoffs between improving services and reducing cost. It is easier breaking down departmental business within a private corporation than breaking them down in between government agencies. The federal government for instance, is not a single enterprises but a network of enterprises and agencies whose functions in most cases overlap. Another reason while government is a notable laggard in reengineering government is a blend of politics and administration. In the government circles, most government agency heads are politicians concerned more with policy and not operational excellence which reengineering advocates.

Benefits Of Reengineering

Reengineering an organization offers a number of benefits for overall productivity. *Hammer and Champy (1993)*, *Hammer and Stanton (1995)* reported the following:-

1. Reengineering process identifies elements of an organization that are creating costs with few benefits and makes necessary adjustment. In some cases, these adjustments are change to the way a department does business while in some cases, these adjustments require layoffs.



2. Reengineering creates one central focus for all the members of the organization – pleasing the customers. Consequently, team spirit is fostered among employee towards customer's satisfaction.
3. Through reengineering process steps are performed logically and naturally. In many older industrial age business processes, an artificial amount of linearity was introduced as part of the control function. Inevitably, arranging tasks that way slows work down and creates a drag on efficiency. Most reengineered processes allow multiple jobs to be completed simultaneously, and for the sequence of activities to be organized locally. Thus, much is done by fewer people and the changes of obsolescence or reworking are reduced.
4. Companies enjoy the benefits of centralized purchasing power and decentralized operations many companies that have reengineered their processes end up combining the benefits of both decentralization and centralization. In other words, business units tends to operate as if autonomous (giving them greater flexibility and market responsiveness) while at the same time enjoying the economies of scale (purchasing power and pooling of key information) centralization derives.
5. The decision making falls to the workers, not the managers. When a business process is reengineered, the responsibility for making decisions often becomes an integral part of the process itself rather than being separated.

The advantages of this are:-

- i. There are fewer delays
 - ii. There is lowering of overheads and fixed costs
 - iii. Better response to customers and
 - iv. Workers are empowered to create value
6. With reengineering, several jobs are combined into one. It tends to reverse the assembly line approach. Instead of having many people involved, none of whom can be held, accountable, many reengineering programs combine process steps and make a team directly responsible for creating a satisfied customer.

Criticisms Of Reengineering

Despite its recognized benefits, reengineering has come under several criticisms. These are shown below:-

- i. Reengineering has resulted in large scale layoffs within a number of organizations, leaving companies in better shape but fined employees with few options.



- ii. Reengineering assumes that the factor that limits an organization's performance is the ineffectiveness of its process (which may or may not be true) and offers no means of validating that assumption.
- iii. *Wehrich and Belardo cited in Wehrich and Koontz (2005)* reported that reengineering assumes the need to start the process of performance improvement with a "clean slate" that is totally regarding status quo.
- iv. Reengineering can be a costly process outside consultant do not come cheaply and the implementation of a radically new business design can be expensive often a company under budgets a reengineering efforts and is forced to go back and spend more than what was originally estimated (*Goldratt 1997*).
- v. It is also argued that while radical redesign, accompanied by downsizing, may indeed result in short term cost savings, it may also negatively affect the remaining work force as teamwork on team efforts are built on trust and trust has to be built over a long period of time. However, with radical redesign, trust can be destroyed.
- vi. Additionally, reengineering focuses on the lower level department of an organization but often leaves the upper management intact, failing to take in account the problems that might be originating with upper management.

Other criticisms levelled against reengineering are:-

- i. It never changed management thinking which is actually the largest causes of failure in an organization;
- ii. Lack of management support for the initiate and thus poor acceptance in the organization;
- iii. Exaggerated expectations regarding the potential benefits from a business process redesign (BPR) initiative and consequently failure to achieve the expected results;
- iv. Reengineering under estimate the resistance to change within the organization;
- v. Reengineering has also been criticized for laying too much confidence in technology solutions.

Reengineering As A New Paradigm Shift For Organizational Repositioning – An Analysis of civil service reform from 1999 – 2010

From the foregoing discussion, we have come to the discovery that reengineering is a new paradigm shift for organizational repositioning. This discovery is based on the fact that *Hammer cited in Wehrich, Cannice and Koontz (2008)* opened up to reengineering by asking "if were recreating this company today from scratch" knowing what I know now and given current technology, what would it look like? Consequently, as a new paradigm shift, reengineering entail



“starting over”. This study also found out as a radical redesign of a business process, reengineering call radically for reinvention and not modification.

It is not re-organizing or re-energizing but a total systematic re-establishment of the organization. More so, the study discovered that as a strategy for repositioning based on current knowledge and level of awareness, reengineering depends heavily on technology as a factor for speedy, cost-effective operations and efficiency and safe service delivery. In addition, the study revealed that reengineering advocates dramatic results. It is result driven and calls of immediate improvement. Nevertheless, in a bid to achieve results, reengineering undertakes the analysis of the operation within a view to changing the operation methods and replacing them with more viable, efficient and effective ones. Finally, the study found out that reengineering involves starting a fresh as such; it signifies the reinvention, redesigning, reestablishment, recreating and reposition of an organization for better performance and higher productivity. Consequently, it involves planning, it is logical; it is systematic and total or holistic.

In Nigeria context the establishment of democracy in Nigeria in May 1999 after decades of military dictatorship, President Obasanjo was confronted with series of internal and external challenges which made reforms inevitable. Internal challenges according to Abba (2005) include:

- i. Infrastructural decay and near collapse
- ii. Economic downturn
- iii. Malfunctioning of public sector institutions
- iv. Poor economic management
- v. High unemployment
- vi. Low investor confidence
- vii. Widespread corruption
- viii. Massive poverty
- ix. Excruciating debt overhead

While the external challenges where occasioned by the following:

- i. Nations were moving from government to governance
- ii. Businesses were moving from an industrial society to a society based on information technology
- iii. Globalization was shifting focus from national economy to world economy
- iv. Short term planning was yielding to long term planning
- v. Centralization was giving way to decentralization
- vi. Representative democracy had embraced participatory democracy



- vii. Organization had abandoned hierarchy for networks
- viii. Product emphasis has shifted from quality to quality.

The above trends created the situation where the role of government has also changed considerably over the decades requiring the transformation of the public service along the pattern of change. Consequently, government is:

- b. Becoming strong without necessarily being big
- c. Increasingly strategic without being pervasive
- d. Being challenged to be smaller on one hand but more efficient on the other hand
- e. Tasked to mobilize scarce resources for accomplishing more with less
- f. Directing investments to critical areas offering competitive edge
- g. Relied upon to provide service that is faster, more responsive and caring.

Consequently, the Nigeria Civil Service was reengineered along such reform like; New Partnership For Africa's Development (NEPAD); National Poverty Eradication Programme (NAPEP); Monetization of Fringe Benefit (MFB); Service Compact (SERVICOM); Middle Term Expenditure Framework (MTEF) among others. These were aggressively pursued with the view to:

1. Reducing the cost of government
2. Coping with pressures from international development partners for reforms as conditionality for winning their support and for accessing their grants.
3. Reducing the pressures arising from regional and global development initiatives
4. Mapping out strategies that reposition the civil service for adhering to tenets of good governance.

The effort at reengineering the civil service however met with serious difficulties which hampered effective implementation of these reforms. One of such difficulties was inadequate professionals required for driving home these reforms agenda. Besides, the values of the people and the ethics of the civil service were not properly embedded in the reforms. This rather than reducing the cost and ensuring the speed of operations led to delays, rigidity and dysfunctional operations. This notwithstanding, these reforms have markedly improved the performance of Nigeria Civil Service.



Conclusion

From the foregoing discussion, it is obvious that reengineering is deep rooted in the private sector corporations with the customers as core concern with a view to gaining competitive advantage, than in the public sector. It is important to note at this point that the public sector can also reinvent government. This can take place by reducing the size of bureaucracy by eliminating the functions that have demonstrably failed. By so doing, attention could be paid to defence, justice, foreign relations and similar tasks which are essential instruments of governance and tax administration among others. The researchers also conclude that reengineering is capitalist in nature and cannot be effectively transplanted whole and total to the public sector especially, in modern times that governments are welfarist in nature. Consequently, reengineering process in the public sector; therefore has to be properly sieved to avoid revolution and violent one at that, hence the idea behind reengineering is not to cause harm but to reposition the organization itself for effectiveness and efficiency. Finally, this study concludes that the key to reengineering success lies in knowledge and ability, not in luck. If you know the rules and avoid making mistakes, you are extremely likely to succeed.

Recommendations

The following recommendations are offered for successful implementation of reengineering:-

1. People's values and beliefs should not be neglected. It is not enough to simply put new process in place; managers must motivate employees to rises to the challenge of these processes by supporting the new values and beliefs the process demand. To achieve this, effort must be made through seminars and conferences to sensitize the employees on the needs for the new orientation.
2. Reengineering should be led by one who is not the member of the organization. Any organization wishing to undertake reengineering should make use of an outsider the consultant, whose prescription should be detach of the existing knowledge of current operations. This will benefit the organization of new fresh independent and unbiased prescription.
3. Reengineering efforts should have in-built structure for team building. This can be achieved through redesigns that clusters or groups employees, especially where layoffs are expected and experts are to be hired from outside. This will help build trust from the scratch, the trust which will lead to cooperation and achievement of positive results.
4. Place prior constraints on the definition of the problem and scope of the reengineering effort. There should be conspicuous articulation of the objectives which reengineering



seeks to achieve in an organization. This can be attained by understanding the present and elucidating on the envisaged operational status of the organization.

5. Reengineering strategies should not be too rigid in anticipation of changes in the society which will eventually lead to another round of reengineering.
6. To overcome the narrow approach of reengineering, there is need to integrate it with other systems through a new model called management by process.

References

Bassan, G.L. (2008) "Business Innovation And Reengineering" @ <http://www.pinshot.com>. accessed april 13

Davenport, T. (2011) "Reengineering: The Fad That Forgot People" @ <http://www.answers.com/reengineering#1x221G2v5gURF>

Goldratt, J. (1997) "Theory Of Constraints" Industry Week Vol. 3, No.9 pp. 16

Gray, M.C. (2011) "Reengineering And Organizational Profit" @ <http://www.profitadvisors.com/reengin.sbtml>. accessed april 13

Guha, S. Kettinzer, W.J. and Teng, T.C. (1993) "Business Process Reengineering: Building A Comprehensive Methodology, Information System Management". The summer Vol. 6 pp 22 – 33

Hammer, M. and Champy, J. (1993), "Reengineering The Corporation: A Manifesto For Business Revolution" New York, Harper Business Publishers.

Hammer, M and Stanton, S.A. (1995) "The Reengineering Revolution: A Handbook". New York, Harper Business Publishers

Hammer, M. Cited in Tomasko R.M. (1993) "Rethinking The Corporation: The Architecture Of Change" New York, Amacom Production.

Ogunbameru O.A. (2004) "*Organizational dynamics*". Ibadan, Spectrum Books Limited

Stresemann, P.A. (1995) "The Politics Of Information Management" The Information Economic Press Vol. 3 No. 29 pp. 103 – 105

Weihrich, H. Cannice, M.V. and Koontz H. (2008) "Management: A Global And Entrepreneurial Perspective" New Delhi, Tata McGraw Hill.

Weihrich, H and Belardo cited in Weihrich, H and Koontz, H (2008) "Management: A Global Perspective" New Delhi, Tata McGraw Hill.