

**Ropinder Oberoi**  
New Delhi University, India.  
Email: roopinderoberoi36@rediffmail.com

# *Applying Business Process Re-Engineering to Public Sector as A New Public Management Strategy*

<http://dx.doi.org/10.18196/jgp.2013.0017>

## **ABSTRACT**

The introduction of Business process Reengineering (BPR) to the public sector follows the much broader trend of New Public Management. BPR in the public sector mostly means amalgamation of business processes, computerization of various activities and removal of some unnecessary ones. BPR assimilates a radical premeditated scheme of business process reengineering and an additional progressive technique of uninterrupted process improvement with adequate information technology (IT) and e-business infrastructure strategies. Public organisations have specific and exclusive features that differentiate them from private sector organisations. Based on the literature review and examining of study findings, it is argued that a public sector organisation can employ BPR to get better its process and overall organisational performance, if it (1) has accrued a collection of BPR-relevant resources and capabilities; (2) has embarked on BPR with adequate depth and breadth; (3) is developing a post-BPR complementary set of skills, systems and technologies, which are essential to further develop the organisational impact of the BPR; and (4) has successfully mitigated the effects of BPR implementation problems. In addition to its effect on administration and service delivery processes through reduction of the processing time, work steps and cost of government processes, BPR also contributes to enhancing citizen/customer and employee satisfaction, increasing organisational transparency and responsiveness which have also become an essential objective of New Public Management. Therefore, public sector BPR is emerging as an indispensable to performance

of organisations in the developing economy. The essential questions addressed in this paper are: What are the scenario and impending problems of reengineering applications in the public sector? Can it be functional for the public sector in attending to frequent problems block-ading bureaucracies of developed and developing countries uniformly? What are the implementational vulnerabilities faced by public sector while deploying BPR.

**KEYWORD:** New Public Management; Performance Enhancement; Public Sector; Implementation

## **INTRODUCTION**

Reengineering has become an established approach nowadays in the restructuring efforts of public sector organizations. Initially envisaged as a technique designed to introduce radical changes in improving business operations and competitiveness (Hammer and Champy, 1993), reengineering principles and techniques have currently attracted and influenced policymakers, professionals and scholars in public administration. It has emerged as a forceful expression of continuing initiatives to redefine administrative values and philosophies, as well as methods and systems of government bureaucracies, which have been deemed as obsolete and incompatible with the demands of a difficult and complex socio-economic and political environment. (Reyes, 1998)

Underlying the challenges of this new order are the burdens of rising expectations, growing populations, conditions of turbulence and declining resources, on the one hand, and the themes of globalization, competitive-

ness, market and enterprise dynamics, decentralization, governance, the information age, and the rise of new technologies, on the other. World economic systems are undergoing dynamic transformations that require extensive adjustments in the way and manner public and private organizations operate. Thus, new, elaborate techniques in managing organizations have emerged to help mediate this transition, and reengineering has been offered as among the more prominent systems of mapping and adapting to the realities of this new and complex order. (Reyes, 1998)

As it is, reengineering concepts have readily proliferated across a steadily growing and attentive audience in both the public and private sectors. Reengineering tools and practice have now been either considered in the agenda of revitalization of public sector organizations among developed and developing countries, both at the local and national levels. (Reyes, 1998) Organizations are being urged to experiment with new structures and processes. A 'process perspective' on organizing is emerging as a major challenge to 'functional' principles of organizing established during the last century. Business process reengineering is one example of process thinking that has received great attention amongst organizational theorists and practitioners.

To begin with, reengineering comes on the heels of a growing inventory of prescriptions and interventions towards reforming government bureaucracies today. As a philosophy and a strategy geared towards enhancing corporate systems and methods in a globalized environment, reengineering can be viewed as part of a shopping list of aspirant paradigms that prescribe ways and approaches to reverse the tide of incompetence,

inefficiency, redundancy, rigidity and the problematic of oversized staffs that characterize government bureaucracies today. (Reyes, 1998)

Micro-management for Public Sector tends to be focused on the organization and is sometimes drawn from sound business practices used in the private sector (Reyes, 1997). Along these lines falls the concept of reengineering and Total Quality Management (TQM), bench-marking, market testing, franchising, contracting and information technology. These approaches now form part of a developing managerial revolution in the public sector. They represent specialized techniques that are gradually redefining bureaucratic practices and public organisations.

BPR proponents have used words "fundamental," "radical," "dramatic," and "process." The message is simple and straightforward: it means businesses must discard old habits and traditions, dismantle sacred and cherished walls of large, corporate entities that have transformed them into over centralized bureaucracies, creating layers and layers of management, which in turn, symbolize the production of layers and layers of corporate rules, procedures and manuals. (Reyes, 1998)

Like Osborne and Gaebler's tirade of the work ethic prevailing in government today, reengineering proponents Hammer and Champy argue that the present system of managerial practices trace their roots and styles from Adam Smith's concept of division of work and job specialization, later adopted and institutionalized in America by corporate figures like Henry Ford and Alfred Sloan. This system, forged by the necessity of assembling work, has structured work processes of modern companies into over-fragmentation based on ritualized functions centered on tasks, on

jobs, on people performing these jobs, on structures, instead of process. (Reyes, 1998)

### **DEFINING BUSINESS PROCESS REENGINEERING?**

Warboys et al. (1999) define a process as: A process is structured change, i.e. there is a pattern of events which an observer may recognise across different actual examples (or occurrences) of the process, or which may be made manifest, or implemented, in many different occurrences. In BPR, the process to be reengineered is the so-called business process. In some ways, reengineering appears to be a reincarnation of Taylor's scientific management model, which aspired to employ scientific and empirical methods in understanding work at the shop room level (Taylor, 1911). Taylor's use of time and motion studies advanced the principle of understanding the work process to eliminate stages that cause wastage and fatigue among workers in the shop room. Reengineering advocates the more radical prescription of discarding old processes and starting anew. Reengineering could thus be a form of neo-Taylorism resurrected in the present era. (Reyes, 1998)

In BPR, the process to be reengineered is the so-called business process. Davenport describes a business process as "simply a structured, measured set of activities designed to produce a specified output for a particular customer or market". Riemer (1998) describes business processes in an object-oriented style: "business processes are series of steps that change states of business objects (that is, customers, orders and inventory), thereby causing business events". However we should note that BPR is concerned with customer-orientation.

Business Process Reengineering is known by

many names, such as 'core process redesign', 'new industrial engineering' or 'working smarter'. All of them imply the same concept which focuses on integrating both business process redesign and deploying IT to support the reengineering work. Generally the topic of BPR involves discovering how business processes currently operate, how to redesign these processes to eliminate the wasted or redundant effort and improve efficiency, and how to implement the process changes in order to gain competitiveness. The aim of BPR, according to Sherwood-Smith (1994), is "seeking to devise new ways of organising tasks, organising people and redesigning IT systems so that the processes support the organisation to realise its goals".

The book '*Reengineering the Corporation: A Manifesto for Business Revolution*' by Hammer and Champy (1993) is widely referenced by most BPR researchers and is regarded as one of the starting points of BPR. The following is their definition of BPR: [Reengineering is] the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed.

Davenport (1993), describes 'business process redesign' as: the analysis and design of workflows and processes within and between organisations. Business activities should be viewed as more than a collection of individual or even functional tasks; they should be broken down into processes that can be designed for maximum effectiveness, in both manufacturing and service environment.

BPR integrates a radical strategic method of business process reengineering and a more progressive method of continuous process improvement with adequate information technology (IT) and e-

business infrastructure strategies. The main difference of both methods is between improvement, which essentially relies on a problem-solving approach, and reengineering, which relies on reconceptualizing how a business process should work. Most process change projects fall between these extremes. BPR combines process redesign and management methods with automation of activities and workflow systems. It is a blending of process management, usage of workflow management systems and applications integration. It does not only encompass the discovery, design and deployment of business processes, but also the executive, administrative and supervisory control over them to ensure that they remain compliant with business objectives. Besides, changes in processes and IT, changes in organizational structures, management and people are included. Thus the outputs of business processes should not only achieve the company's objectives, but also need to satisfy customers' requirements. From these definitions we can conclude that business processes start and end with customers, and the value of business processes is dependent upon customers.

### **THE ORIGINS OF BPR**

Some researchers argue that the original concept of reengineering can be traced back to the management theories of the nineteenth century. The Financial Times Report (1994): The purpose of reengineering is to make all your processes the best-in-class. ... Frederick Taylor suggested in the 1880's that managers use process reengineering methods to discover the best processes for performing work, and that these processes be reengineered to optimise productivity. ... In the early 1900's, Henri Fayol originated the concept of

reengineering: To conduct the undertaking toward its objectives by seeking to derive optimum advantage from all available resources. (p. 8)

Similarly, Galliers (1998) observes that "BPR ... far from being a new departure is in fact a reversion to the classical school<sup>1</sup> of strategic thinking popularised in the 1960s". That is, organisations make such radical changes when they meet competitive pressures which challenge their current processes. BPR can be viewed as a response to such change and therefore fits in the classical school of strategy where organisations adjust themselves to new forms in order to maximise their profits. However it is commonly agreed that BPR first came and attracted academic and industrial attention in 1990 as a result of two papers by Michael Hammer (on reengineering, see Hammer, 1990) and Thomas Davenport (on business process redesign, see Davenport and Short, 1990). In 1993 they further published two key books (Hammer and Champy, 1993 and Davenport, 1993) which brought widespread attention to the emerging field of BPR.

The concept of BPR is widely regarded as having been introduced as a perceived solution to the economic crisis and the recession of the late 1980's and early 1990's (Butler, 1994). MacIntosh and Francis suggest that it is becoming more important "to develop new products effectively than to produce old products efficiently". By introducing fast developing information technology, enterprises try to redesign their structures and seek new ways of operation, which results in many enterprises moving toward combination but not division of labour. Hammer and Champy conclude that previously divided tasks are now being re-unified into coherent business processes. Business process

reengineering, defined as 'the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance such as cost, quality, service and speed' (Hammer and Champy 1993: 32), is considered one of the most high-profile ideas related to process organization (Denison 1997). BPR gained in influence in the 1990s, diffusing quickly from its American, manufacturing origins to Europe and non-manufacturing settings, including public service organizations. Thus one reason why BPR becomes popular is that it provides a mechanism to make the changes better to fit the competitive environment to which the enterprises must adapt themselves in this new and post-industrial age.

### THE KEY CONCEPTS

BPR seeks to break from current processes and to devise new ways of organising tasks, organising people and making use of IT systems so that the resulting processes will better support the goals of the organisation. This activity is done by identifying the critical business processes, analysing these processes and redesigning them for efficient improvement and benefit. Vidgen et al. (1994) define the central tenets of BPR as:

- Radical change and assumption challenge;
- Process and goal orientation;
- Organisational re-structuring;
- The exploitation of enabling technologies, particularly information technology.

That is, by focusing on business objectives, we analyse the processes of the organisation, eliminate non-essential or redundant procedures, and then use IT to redesign (and 'streamline') organisational operations.

### PROCESS ANALYSIS AND DESIGN METHODOLOGY (PADM)

The PADM consists of four phases which intermingle and reciprocally interact.

The four phases are (1) process definition; (2) baseline process capture and representation; (3) process evaluation; and (4) target process design.

Wastell et al. (1996) Process Reengineering Life Cycle (PRLC) includes five stages: (1) envisioning process change; (2) inaugurating the reengineering project; (3) diagnosing; (4) (re)designing; and (5) (re)structuring.

Kettinger et al. (1995) the fundamental structure of the proposed BPR framework contains three elements: (1) BPR principle; (2) BPR process; and (3) BPR methods and tools

Mayer et al. (1995) BPR stages A high-level approach to process innovation consists of the five stages: (1) identifying processes for innovation; (2) identifying change levers; (3) developing process visions; (4) understanding existing processes; and (5) designing and prototyping the new process

Davenport (1993) BPR stages A stage-activity (S-A) framework for reengineering was proposed, where BPR consists of six stages: (1) envision; (2) initiate; (3) diagnose; (4) redesign; (5) reconstruct; and (6) evaluate.

The figure 1 below illustrates the basic steps. You begin by documenting what you do today, establish some way to measure the process based on what your customers want, do the process, measure the results, and then identify improvement opportunities based on the data you collected. You then implement process improvements, and measure the performance of the new process. This loop repeats over and over again, and is called continuous process improvement.

FIGURE 1: BASIC STEPS OF IMPROVEMENT MODELS



### Continuous Process Improvement Model

BPR aims to put rationality and systematic thought back into management transformation efforts, rather than relying on vaguer notions of inspirational leadership and culture change. Key elements of reengineering are analysis and inductive reasoning. The two intertwine at each stage of the BPR effort:

- They contribute, in the first stage of the preliminary BPR effort, to a better understanding of the issues and problems the organisation needs to address;
- in the second stage, analysis and inductive reasoning are used to explore the theoretical capabilities of the organisation, in terms of how well it is likely to be able to address its identified problems;
- in the third stage of the BPR effort, the gap between institutional capabilities and the issues the organisation must address is defined;
- the fourth stage of a BPR initiative involves uninhibited problem solving efforts which assume no prior constraints on the direction or the nature of the solution to the problem, i.e. the generation of imaginative and creative ways of dealing with the identified gap.

### REENGINEERING APPLICATIONS IN THE PUBLIC SECTOR: THREE DOMINANT VIEWPOINTS

Some of the questions that come to the fore in the context of Public Sector are: What then are the

prospects and potential problems of reengineering applications in the public sector? Can it be applied to the public sector in addressing common problems now besieging bureaucracies of both developed and developing countries?

The contemporary logic of organizing Public Sector has been illustrated as the new public management (NPM). NPM is seen as a 'mega shift' in the organization and management of public services in the 1980s and 1990s and the UK and USA represents a 'high impact' case internationally. The NPM wave of restructuring has strengthened vertical lines of reporting in many public service organizations through the advancement of managerialism and performance measurement. In these respects it accords with functional organizing principles and the ethos of control and coordination (Denison 1997).

The introduction of BPR to the public sector follows the much broader trend of New Public Management (NPM) (Dunleavy, Bastow et al., 2006; Osborne and Gaebler 1992). Although there are various definitions of NPM, it generally refers to the adoption by public sector organisations of management practices, organisational forms, efficiency and accountability principles and value for money concepts more commonly associated with private businesses.

While discussing BPR applicability for public organisations we have to keep in mind the specific



and unique characteristics that distinguish them from private sector organisations. Public Sectors are faced invariably with bureaucratic inertia and rigidity that render even the most progressive-minded functionary struck with status quo approach. Many principles of BPR are the product of efforts to install elaborate control measures to ensure accountability and reduce bureaucratic discretion that can lead to graft and corruption. But taken to their extremes, these stringent procedural safeguards ultimately “become ends in themselves regardless of the terminal value for which these safeguards have been formulated”. (Reyes, 1982) Aside from disrupting the smooth flow of services, this web of rules and regulations incurs huge public outlays in terms of personnel, paperwork, and even costs of procurement of supplies and equipment, among others. Reengineering can therefore serve to ascertain the necessity of these control measures and highlight rules and procedures that have accumulated over time, some of which have outlived their purposes, or which tend to consider minute details.

Public organisations also face the challenge of having to deploy their limited budget to meet the ever-increasing and sometimes contradictory demands of various stakeholders (MacIntosh 2003). In particular, they are expected to improve the effectiveness of their administrative and service delivery processes. Some of these demands have reduced the apparent gap between private and public organisation management practices and have made probable the relevance of private business management and reform tools such as Total Quality Management (TQM), Just in Time (JIT) and BPR to the public sector (Macintosh 2003). In the case of BPR in particular, the adop-

tion of e-Government policies and strategies to automate, informate and transform the public sector has led to the wider adoption of BPR methodologies and practices (Kassahun, Emerie; 2012)

Over the past several years, there have been heated debates regarding whether private corporate style management and reform techniques are appropriate for the management and transformation of public sector organisations (McLaughlin et al. 2002). Likewise, there have been debates about the applicability of BPR to public organisations

### **THREE DOMINANT VIEWS HAVE EMERGED IN THOSE DEBATES.**

The *BPR scepticism* view maintains that the core principles of BPR are not suitable to the characteristics of the public sector (Linden 1994) Unlike private sector models, which aim primarily at profitability, models for public sector change should strike a balance between economic, efficiency, effectiveness objectives and pure public goals, such as equity and fairness (Linden 1994). Further, in the public sector, there are stakeholders that measure the performance of the public administration and service delivery processes based on equity in the input and transparency of the processes. This is not compatible with other stakeholders that measure the same, but based on efficiency and effectiveness criteria (Halachmi and Bovaird 1997).

Indihar-Stemberger and Jaklic (2007) claimed that radical change in business processes and structure is impossible in the public sector. They identified the following change-inhibiting factors:

1. the constraints imposed by bureaucracy (that is, red tape),
2. the greater levels of interdependence across

- organisational boundaries,
3. more frequent turnover of top-level administrators,
  4. greater resistance to change from employees, and
  5. management having less authority than do their private sector counterparts. Kassahun, Emerie; (2012)

The *BPR optimism* view argues that public organisations are always under pressure for efficient and transparent public service delivery and better performance by businesses, citizens and various other stakeholders (Linden 1994). BPR can serve as a key reform tool to transform the public sector from its existing hierarchical bureaucratic model into customer-oriented process model and to modernise it using the latest developments in IT (Sia and Neo 2008; Andersen 2006).

The *BPR pragmatism* view, while accepting the applicability of BPR to the public sector, recognises the unique characteristics of the public sector that would require customised methodology; the adaptation, rather than adoption of private sector lessons; and the paying of sufficient attention to public sector-specific success factors (MacIntosh 2003). Halachmi and Bovaird (1997), after appreciating the problems of applying the experiences of private firms and corporations to the public sector, affirmed that BPR, if applied, has the potential to answer the performance problems of public sector organisations. They maintained the view that knowledge of the success or failure factors of BPR in private businesses are relevant to public sector BPR. (Kassahun, Emerie; 2012)

Public sector BPR also involves relatively higher levels of participation and consensus than is the

case with the private sector. In contrast to the private sector, in the public sector, there are numerous legal, statutory, and regulatory requirements and the BPR process involves higher degree of consensus among the major stakeholders due to which the BPR process takes relatively longer time but with less failure rates than the private sector (Scholl 2005).

Using a model built based on BPR theory, Ongaro (2004) demonstrated that the principles and practices of private sector BPR apply to public agencies, provided public sector specificities are well considered. The elements in this model include macro-institutional and contextual factors, such as legal and cultural settings, together with macro enabling factors, a public sector reform program with specific enabling conditions and pressures, micro-level/individual organisations and their relationships, executive leadership and the implementation of process management, together with enabling ICT and organisational culture. This model can thus be seen to integrate macro-level contextual institutional factors and micro organisational factors deemed to influence any BPR implementation. However, this model requires further validation. (Kassahun, Emerie; 2012)

In a proposal to extend a BPR methodology that applies to the public sector Pateli and Philippidou (2011) conducted a case study. Their study confirmed that private sector BPR methodology can be valid to the public sector if (a) a change institutionalisation phase is included at the end and (b) radical redesign is excluded because the public sector context does not lend itself to radical redesign.

Principally practised in Private sector BPR is now being acknowledged in the public sector to



transform business processes and achieve dramatic improvements in service delivery.

Some of the advantages of BPR are:

- Adoption of BPR facilitates reduces bureaucracy;
- Affordable, faster and higher quality services for the customer;
- Better management of public resources and greater transparency.

As Business Process Reengineering offers an opportunity for make policy-makers take another fresh look at the logic and rationale of these rules and safeguards, opening possibilities of discarding and rewriting them. This is significant because through the years, much attention has been given to the agenda of reform of public sector organizations and the way they perform. It is therefore hardly surprising that reengineering efforts in recent years have been launched in several countries. (Kassahun, Emerie; 2012)

### **BPR IMPLEMENTATION PROBLEMS**

As discussed above, government organizations should radical redesign their processes to achieve dramatic enhancement in their performance: such as optimization in resource utilization, cost, quality, reduced time of service, speed and customer friendly service. To achieve this, various alternatives of BPR's should be analyzed to assess their impact on performance as a whole organization. This requires an appropriate performance model which will help to gain insights into the concept of interaction of CSFs enabling the overall application of BPR.

Government organizations are continuously under pressure to answer the tax payers (customers) regarding the performance improvement of its

services. The step wise improvement in services and products of public sector is no longer sufficient to satisfy the customers due to better services provided by private sector companies which have been outsourced to them by government. The TQM techniques, such as – quality management, six sigma, Kaizen, Total Productive Maintenance (TPM) and others focus on improving existing processes, which are outdated and outmoded. Therefore, these tools do not add value to the processes. The only means to come out of this situation is to adopt radical approach to BPR.

The customer's confidence in public sector's product or services are the competitive dimensions which can be referred as Performance Objectives, Customer Requirement, Strategic Choice Attributes, Competitive Capabilities, and Operational Priorities. In 1980s and 1990s, TQM movement emphasized on process focused change. Raff and Beedon (1994); Hodgson (1994) observed that sufficient literature is available to show wide application of TQM in non profit and public organizations. However, radical changes through BPR have not been accepted by public organizations. 'Fear of failure', 'high risk of investment', and 'bureaucratic set up' could have kept public sectors away in adopting radical changes through BPR.

A survey in (Champy, 1995) shows that re-engineering has had widespread adoption in the private sector. Approximately 70 per cent of all private businesses in US and Europe have run, or are running, some form of re-engineering project. The same survey suggests that the failure rate of re-engineering attempts has been equally high - over 70 per cent. A discussion, following that survey, suggests that much of that failure has resulted from

a lack of change in management paradigms, which should accompany the radical changes in the business processes.

The review that BPR can be (and has been) adopted as a tool for public sector transformation also revealed lessons learnt that are critical to BPR success. These include complementing the BPR outcome using continuous improvement mechanisms; changing the organisation structure and enabling IT with sufficient depth (Janssen and Dwivedi 2011), involving lower-level employees and all stakeholders in the BPR implementation, synchronising the process-based implementation that BPR requires with the demands of the functionally based organisational structure (McNulty and Ferlie 2004); allocating sufficient resources to the BPR (Thong, Yap and Seah 2000); selecting a reengineering that has the requisite knowledge and skill on change management, and securing top management support and commitment (McNulty and Ferlie 2004); and empowering front-line employees. The review also reveals that radical BPR implementations are restricted in the public sector due to management's reluctance to cede their power through empowering lower-level employees and professionals' tendency to want to preserve the status quo.

McLoughlin and Riddell (1998) identified bureaucratic culture, multiple stakeholders with different value systems and a lack of resources as the factors inhibiting depth of the BPR change. Halachmi and Bovaird (1997) also stated the difficulty of sustaining the BPR effort and outcome in the public sector context due to election-prompted changes in the top management. If BPR has no legislative basis, its duration of implementation and consolidation can be as short (or as long)

as the office term of the incumbent political party assuming the executive government role, as BPR efforts can be rejected or abandoned by incoming authorities. Although leadership change also occurs in the private sector, backsliding is not as extreme as it can be in the public sector.

The factors cited as implementation problems relate to

- lack of the requisite knowledge and skill to properly plan and manage BPR projects (, lack of knowledge and skill in change management (Tarokh, Sharifi and Nazemi 2008),
- difficulty of developing and implementing and sustaining supporting IS and IT infrastructure (Saxena 1996; Martin and Montagna 2006; Hesson 2007; Debela 2010), management turnover (Martin and Montagna 2006) and
- resource constraints (financial and technological)

Considering the transformational potential of BPR in the public sector and the difficulties of applying some of its underlying assumptions such as the 'clean slate' in the public sector, Andersen (2006) proposed a public sector process-rebuilding model. The model takes into account specific characteristics of the public sector such as higher level of political interference, strict budgetary regulation, and specific status of public servants and includes elements such as public sector primary and secondary processes rebuild by IT/IS and public values (economic, democratic, and technical).

It would also be important to consider political and pluralist factors confronting the bureaucratic milieu. Essentially this refers to the environment of the political system, where, as Thomas points

out, “success in government consists not just making the right decisions, but also of mobilizing political support for the decision.” He adds that “there is more challenge for the public manager than for his private-sector counterpart to balance the conduct of external political relations with numerous outside actors and institutions while still paying attention to internal management functions” (Thomas, 1996)

The literature review on public sector BPR revealed that the BPR pragmatism view is most dominant view among the three views; suggesting the relevance of practices and lessons of the private sector BPR to the public sector BPR while at the same time recognising the unique characteristics of the latter such as resource constraints and public sector performance measures.

The review found the following public sector BPR lessons relevant for the current study: complementing and sustaining the BPR outcome using continuous improvement mechanisms, changing the organisational structure and enabling IS/IT with sufficient depth, allocating sufficient financial resource to the BPR, selecting a reengineering team that has sufficient knowledge and skill (on change management, the role of IT in BPR, communication and stakeholder involvement, and the functions of the organisation to be reengineered), securing top management support and commitment, and empowering front-line employees.

## **CONCLUSION**

Bureaucracies today are experiencing what may be described as a severe paradigm crisis in coping with change and in managing their affairs. The public sector is faced with hostile environments,

alienated publics, scarce resources, and low levels of credibility. Transitions today are periods of extreme anxieties. Fortunately, these anxieties can help stimulate imagination and innovation.

There is nothing here to suggest that reengineering is a panacea or a nostrum that would serve as a quick-fix remedy for whatever ails organizations at the moment. It is, at best, an approach that would need study and much experimenting. But side by side with this lies the important consideration that public managers and policy-makers must adapt techniques to the idiosyncratic needs and peculiarities of their organizations. As Gareth Morgan laments, “too many managers are looking outside themselves for answers to their problems. They are looking for the latest theory and at what successful organizations are doing. They are trying to spot the latest trends. In reality they would be better off engaging in critical thinking for themselves, recognizing that they and their colleagues already have a vast treasure of insight and experience, which they could and should be using” (Morgan, 1993: 218, as cited in Thomas, 1996: 23).

This cynicism is understandable considering that movements and techniques for public sector reform, as well as so-called managerial revolutions, have ebbed and flowed during the past fifty years, accumulating a bewildering number of aspirant paradigms that have frustrated public sector reformers. But as Halachmi maintains, “the scepticism about this new management gospel is not surprising and might even be healthy...but not an excuse for discarding the message of re-engineering without any further explanation” (Halachmi, 1995).

There are major differences between the case of

reengineering in the public and private sectors, especially in respect of the core value generation process which underlies the reengineering effort and in the criteria used in deciding whether or not to launch a BPR initiative. The success of a reengineering effort may depend critically on the strategic capability of the organisation prior to undertaking the effort. Well performing organisations, public or private, are more likely to survive BPR and to improve performance than weak ones. Yet, in the public sector, well-performing agencies may not be permitted to go through BPR, while those that have been subject to recent criticism are likely to be encouraged even if the effort fails to improve performance.

While the experience of BPR in the private sector is indeed of importance to the learning of managers in the public sector, managers in either sector should not expect the experiences of others to provide tailor made solutions to their specific problems. Knowing and understanding the reasons for success or failure of BPR in the private sector can prepare public sector managers for undertaking the effort, but it cannot automatically indicate to them a preferred model for reengineering.

However, as more accounts of successful – and unsuccessful – cases of reengineering are documented, it may be possible to undertake the development of a generic model(s) of reengineering by sector. For the present, public sector managers should pay particular attention to the widest possible definition of ‘value’ when analysing value added in the process reengineering effort. In doing so, they will need to be especially sensitive to the way in which ‘value’ in the public sector is differently interpreted by the major stakeholders and the intensity with which stake-

holders (both internal and external) identify with the processes whose radical redesign is intended. In the interim, they would be well advised to be conservative in estimating the gains from BPR.

## REFERENCES

- Davenport, TH 1993, *Process innovation: reengineering work through information technology*, Harvard Business School Press, Boston, MA.
- Davenport, TH 1995a, ‘Business process reengineering: where it’s been, where it’s going’, *Business process change: reengineering concepts, methods and technologies*, pp. 1–13.
- Davenport, TH 1995b, ‘Reengineering: the fad that forgot people’, *Fast Company*, <http://www.fastcompany.com/magazine/01/reengin.html>
- Davenport, TH 2008, ‘Business process management: foreword’, in V Grover and ML Markus (eds.), *Business process transformation: advances in management information system*, Volume 9, ME Sharpe, Armonk, NY, pp. 41–46.
- Davenport, TH 2010, ‘Process management for knowledge work’, in J vom Brocke and M Rosemann (eds.), *Handbook on business process management*, vol. 1, Springer, Heidelberg, pp. 3–16.
- Dunleavy, P., Margetts, H., Bastow, S., Tinkler, J. (2006). ‘New Public Management is Dead: Long Live Digital Era Governance’, *Journal of Public Administration Research and Theory*.
- Drucker, Peter (1955), *Practice of Management*. London: Heinemann.
- Halachmi Arie & Bovaird ; (1997) *Process reengineering in the public sector: learning some private sector lessons*; *Technovation*, 17(5)

227-235

- Halachmi, A. and Bouckaert, G. (1995) Introduction. In: Halachmi, A. and Bouckaert, G. (Eds.) *Public Productivity through Quality and Strategic Management*, IOS, Amsterdam, pp. 3-17.
- Halachmi, Arie and Geert Bouckaert (1995), "Re-engineering in the Public Sector." *International Review of Administrative Sciences*, 61 (3) (September), 323-327.
- Hammer, M 2010, What is business process management? in J vom Brocke and M Rosemann (eds.), *Handbook on business process management*, vol. 1, Springer, Heidelberg, pp. 3-16.
- Hammer, M & Champy, J 1996, 'Reengineering the corporation: the enabling role of information technology', in JM Shafritz and JS Ott (eds.), *Classics of organization theory*, Wadsworth, Belmont, CA, pp. 607-617.
- Hammer, M & Stanton, S 1995, *The reengineering revolution*, Harper Collins, London.
- Hammer, M & Champy, J 1993, *Re-engineering the corporation: a manifesto for business revolution*, New York.
- Hood, C 1991, 'A public management for all seasons?' *Public Administration*, vol. 69, pp. 3-19.
- Indihar-Stemberger, M & Jaklic, J 2007, 'Towards E-government by business process change—a methodology for public sector', *International Journal of Information Management*, vol. 27, pp. 221-232.
- Kassahun, Emerie; (2012) *The effect of Business Process Reengineering on Public Sector Organisation performance* School of Business Information Technology and Logistics Business College, RMIT University, July
- Kassahun, A. E., A. Molla, Sarkar, P. (2011). "Government Process Reengineering: What we Know and What we Need to Know." *Strategic Enterprise Resource Planning Models for E-Government: Applications and Methodologies*: 1.
- Kassahun, A. E. and A. Molla (2011). "BPR Complementary Competence For Developing Economy Public Sector: A Construct And Measurement Instrument." *PACIS 2011 Conference Proceedings*.
- Linden, RRM 1994, *Seamless government: a practical guide to re-engineering in the public sector*, Jossey-Bass Publishers.
- Osborne, D & Gaebler, T 1992, *Reinventing government: how the entrepreneurial spirit is transforming the public sector from school-house to statehouse, city hall to the pentagon*, Addison-Wesley.
- Reyes Danilo R , *Public Sector Reengineering: Practice, Problems and Prospects*; *Asian Review of Public Administration*; [unpan1.un.org/intradoc/groups/public/documents/.../UNPAN001413.pdf](http://unpan1.un.org/intradoc/groups/public/documents/.../UNPAN001413.pdf)
- Reyes, Danilo R. (1997), "Controversies in Public Administration: Enduring Issues and Questions in Bureaucratic Reform," *Philippine Journal of Public Administration*, 42 (1-4) (January-October).
- Reyes, Danilo R. (1995), "The Study of Public Administration in Perspective: A Passing Review of the Development of the Discipline," *Philippine Journal of Public Administration*, 39 (1) (January): 1-36.
- Saxena, K 1996, 'Re-engineering public administration in developing countries', *Long Range Planning*, vol. 29, pp. 703-711.

- Taylor, Frederick W. (1911), *Principles of Scientific Management*. New York: Harper and Brothers.
- Thong, J, Yap, C & Seah, K 2000, 'Business process reengineering in the public sector: the case of the housing development board in Singapore', *Journal of Management Information Systems*, vol. 17, pp. 245–270.