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The Role of Leadership in Business Process Reengineering "Leaders, do you want to change?"

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Abstract

Frequent list of failures of the business process reengineering efforts, exhibit the lack of leadership commitment and support. This paper examines the foundation, theory and styles of leadership, which is an imperative element of the BPR. The various research findings over the last decade is used to depict that successful leadership is to have a balance between task-oriented leadership and people-oriented leadership.

Keywords: Business process reengineering (BPR); Leadership: Leadership styles

1. Introduction

Globalisation, the economic downturn, and the challenges the world faces in the 21st century, demand an evolutionary approach to leadership. You need innovative leadership to confront unprecedented challenges, such as sustaining growth in the shadow of climate change, and competing and collaborating on a global platform that is held together by technology, communications and shared interests. The right leadership is a prerequisite for a successful business process reengineering (BPR) effort.

Literature shows that the high failure rate of BPR efforts are: lack of measurable and attainable goals; lack of oversight during implementation and follow-up stages; flawed objectives; inadequate tools for developers and users; employee's resistance to change, and inadequate attention to employees concerns (Popoff and Brache. 1994). However, research shows that the one principal cause of failure is committed leadership (Bass 1995).

Throughout the BPR effort, support and commitment from the executive management is pinnacle (Davenport. 1993). Corporate executives cannot be change leaders until they have committed to change themselves. Once they have accepted the need to change, they now need to win every member of the organisation to accept and focus on the change. Successful change management requires their continued actions as champions, role models and overseers of change. Their active involvement may include chairing a steering committee or participating on it, attending ceremonies where employees are rewarded for their adherence to the new behaviors, continuing to communicate in large and small forums, and visibly adopting the new behaviors, such as participative management, focusing on processes and making fact-based decisions (Oakland.1993).

2.1 History of Leadership

Koontz and Donell (1959) defined leadership as the skill or the process where they voluntarily tried for the goal of an organization and to have influence on the team members. Fiedler (1967) insisted that leadership be a unique and deterministic factor enough to define a success or failure of an organisation. Bass (1990) stated that leadership is an activity that presents and pronounces a vision and also diversifies team members, which enables team members to accomplish a goal. He also expressed the point of view toward leadership defined by many scholars as an action with the technique, in which it induces an accommodation of the synthesis of many elements. Hersey and Blanchard (1993) maintained that leadership is a process of influencing the activity of an individual or an organization in order to accomplish a goal in a fixed situation.

Most leadership research is concerned with a complicated relation including leaders, subordinates, situation, etc. After all, it merits consideration that effective leadership is an ability to grasp the environment, which surrounds the characteristics of a leader, leadership type, and the characteristics of team members. Research about this kind of the leadership not only presents various attitudes, but also classifies behavioral theories and situation theories in accordance with access methods applied.

One thing is certain, leadership style can make a difference, both positively and negatively. A survey, found that senior executives view their companies' leadership styles as pragmatic rather than conceptual, and conservative rather than risk taking. These same executives felt that to meet their current and future challenges, the styles should be the other way around (Waldman et al, 2001). In contrast to the leaders in the classical bureaucracies, leaders of today's organisations, according to Joseph White (1994) must be more entrepreneurial; more accountable, customer-process and results-focused; biased toward action; empowering; communicative; technologically sophisticated; innovative and continuous improvement; strong in the use of guidance, suggestion and influence, sparing in the use of pure authority. Obviously, other descriptive terms of effective leadership can be added to this list, especially in time of an economic crisis (David 2001) or in times where a more quiet, antihero approach is more effective.

1.1.1 Theories of Business Process Reengineering

Much of the current corporate interest in business process change can be dated from the BPR movement that began in 1990 with the publication of two papers: Michaels Hammer's "reengineering Work: Don't Automate, Obliterate" (Harvard Business Review, July/August 1990) and Thomas Davenport and James Short's "The New Industrial Engineering: Information Technology and Business Process Redesign" (Sloan Management Review, Summer 1990). Later, in 1993 Davenport wrote a book, Process Innovation: Reengineering Work through Information Technology, and Michael Hammer joined with James Champy to write Reengineering the Corporation: A Manifesto for Business Revolution.

BPR theories like Champy, Davenport, and Hammer insisted that companies must think in terms of comprehensive processes, similar to Porters value chains and Rummler's Organisation Level. If a company focused only on new product development, for example, the company might improve the new product development sub-process, but it might not improve the overall process. Worse, one might improve new process development at the expense of the overall value chain. If for example, new process development instituted a system of checks to assure higher-quality documents, it might produce superior reports, but may take longer to produce them, delaying marketing and manufacturing's ability to respond to sudden changes in the marketplace. On the other hand, the new reports might be organised in such a way that they made better sense to the new process development engineers, but became much harder for marketing or manufacturing readers to understand.

Stressing the comprehensive nature of business processes, BPR theorists urged companies to define all of their major processes and then focus on the processes that offered the most return on improvement efforts. Companies that followed this approach usually conceptualised a single business process for an entire product line, and ended up with only 5-10 value chains for an entire company, or division, if company was very large. BPR was more than an emphasis on redesigning large scale business processes. The driving idea behind the BPR movement was best expressed by Thomas Davenport, who argued that information technology had made major strides in the 1980s, and was now capable of creating major improvements in business processes.

Hammer argued that previous generations of managers had settled for using information technologies to simply improve departmental functions. In most cases, the departmental functions had not been redesigned but simply automated. Hammer further argued that a completely new look at business process. In most cases, Hammer argued that existing processes should be "obliterate" and replaced by totally new processes, designed from ground up to take advantage of the latest information system technologies. In addition to total reengineering, Hammer joined Davenport in arguing that processes should be integrated in ways that had not been in the past.

Hammer argued that Adam Smith's principle had led to department and functions that tried to maximise its own efficiency at the expense of the whole. In essence, Hammer claimed that large companies had become more inefficient by becoming larger and more specialised. The solution, according to Hammer, Davenport and Champy was twofold: First, processes needed to be conceptualised as complete, comprehensive entities that stretched from the initial order to the delivery of the product. Second, information technology needed to be used to integrate these comprehensive processes.

2.2 Misuses of Business Process Reengineering

During the same period, many companies pursued other goals under the name of BPR; downsizing was popular in the early to mid-1990s. Some of it was justified. Many companies had layers of managers whose primary function was to organise information from line activities and then funnel it to senior managers. The introduction of new software systems and tools that made it possible to query databases for information also meant that senior managers could obtain information without the need for so many middle-level managers. On the other hand, much downsizing was simply a natural reduction of staff in response to a slowdown in the business cycle. The latter was appropriate, but it led many employees to assume that any BPR effort would result in major reduction of staff.

In view of some widely discussed failures, and also a result of employees distrust, the term BPR became unpopular during the late 1990s and has gradually fallen to disuse. As an alternative, most companies began to refer to their current business process projects as “business process improvements” or “business process redesign.”

2.3 What is Business Process Reengineering?

According to Hammer and Champy (1993:213), BPR “...is about dramatic, radical change ... is an intensive, top-down, vision-driven effort that requires nonstop senior management participation and support. Reengineering gets the company where it needs to be fast.”

BPR is a two-pronged effort. One portion of the BPR undertakes what is termed as technical, which involves the identifications of (Carr and Johannson.1995):

- Processes throughout the business
- The core business processes that drive the company value
- The subsequent reengineering of one or more of those processes in order to tighten connections with customers, streamline operations and eliminate wasteful, none value-added steps in the identified processes

The other portion of BPR is referred to as behavioral. This component involves the identification of changes in the way people work throughout the organisation that will have to take place in order for the technical aspect of BPR to be successful, and the subsequent management of those changes. Despite all that have been written on change management and organisational development in the last two decades or more, corporate culture is still likely to seek solutions to business problems by working on the technical side of the equation. Not enough effort is put into the behavioral part of many change efforts. BPR can and should be used to extend the gains in employee empowerment and teamwork created under any Total Quality Management (TQM) effort. TQM efforts are sometimes limited not only because they seek incremental rather than radical improvement, but because they then make those improvements within the old-fashioned functional framework (Carr and Johansson. 1995).

3.1 An overview of leadership models and the foundation of leadership

There is already a considerable body of knowledge on leadership, and this knowledge can be productively applied to increase managerial effectiveness. It had to be determined exactly what it is that makes a person a good leader. Some are still convinced that good leaders are born and cannot be made – an opinion that most researchers abhor. In analysing the concept of leadership, and the search for the traits that make good leaders, various leadership models have been researched, developed and tested in an effort to pinpoint the most important modes of behaviour that good leaders manifest. Research revolved around the assumption that the identification of sound leadership qualities that make certain people outstanding leaders would be to the advantage of both organisations and society because organisations and nations would become more sophisticated in their selection of leaders. Only true leaders would then be appointed, which would mean that the organisation and the community would function more effectively (Stoner and Freeman.1989). Spurred on by the assumption that certain personality traits and modes of behaviour are decisive for the success of a leader, research on leadership and leadership models ranged from leadership characteristics and behaviour to all sorts of approaches and theories of leadership, including a few contemporary perspectives on it (Stoner and Freeman.1989).

3.2 The Behaviour Approach to Leadership

In research into the behaviour of leaders, the new hypothesis was that the behaviour or actions of successful leaders are different from those of unsuccessful leaders. Thus, instead of trying to establish what a successful leaders do – how they delegate, communicate, motivate their people, and so forth. The opinion was that behaviour, unlike traits, can be acquired. Thus managers who are trained in the ‘right’ behaviour variables become more effective leaders. This research also showed, however, that leadership behaviour that seems to be appropriate in one case is not necessarily valid in another. The research into leadership behaviour did bring to light the realisation that be participating in a group, a person can manifest and establish certain leadership behaviour. To function effectively a group needs someone to perform two important functions, namely job-related functions that concern problem solving and social functions that are necessary to maintain the group. Against the background of the preceding assumptions both the University of Michigan and Ohio State conducted studies in this field, and both came up with the finding that leaders manifest certain leadership styles.

The Michigan studies under the guidance of Likert (16) identified two basic forms of leadership behaviour, a) task-oriented leader behaviour, in which the leader is concerned primarily with careful supervision and control to ensure that subordinates do their work satisfactorily. This leadership style involves applying pressure on subordinates to perform. According to task-oriented leaders, subordinates are merely instruments to get the work done. b) people-oriented leader behaviour, in which the leader applies less control and more motivation and participative management to get the job done. This leadership style focuses on people, and their needs and progress.

Thus where the first leadership style stresses the actual job, the second concerns the development of motivated groups. Likert showed a preference for the second approach, (Griffin.1987) probably because the Michigan research found that production performance was higher among people-oriented leaders than task-oriented leaders. To complement the Michigan research in an effort to develop the ideal leadership model, Tannenbaum and Schmidt (1958) studied a further dimension that led to the development of the situational models. Their research identified various leadership styles as illustrated in figure 1. The model depicted in this figure is a series of leadership styles that can be used in certain situations, each style having a degree of authority that can be applied by the manager as well as a corresponding degree of freedom within which subordinates can act.

A movement from left to right in the model also indicates a change from autocratic to democratic leadership, depending on the particular situation, which demands a certain style of leadership. Thus a group that works well together reacts better to more freedom than to strict supervision.

3.3 The balance between task-orientated leadership and people-orientated leader

Sutcliff (1997) used the Flamholtz Leadership Effectiveness framework and concluded two findings namely, “(1) successful BPR leaders employ leadership styles that fit better the critical situational factors; and (2) successful leaders of BPR projects perform their leadership tasks in a reasonably well balanced manner.” Leaders often get themselves in a twist over the need to deliver the organisation's tactical plans and the often felt, conflicting role of leading people. Many leaders have a common misconception that if you exercise people orientated leadership you can't possibly be delivering the tasks required; it is somehow inefficient to focus on people if something needs to be delivered.

Academic research suggests that task-orientated leaders are focused on the goals of the organisation and the employee performance in achieving the goals set, with a tendency towards a leadership style which is impersonal but delivers efficiency and productivity. The issue with task oriented leadership is that the 'human' element is neglected leading to high turnover, low morale and low discretionary behaviour.

People-orientated leaders are believed to be thoughtful and considerate toward their followers, focusing on the needs of employees; building capability, confidence and relationship. People oriented leadership results in higher employee satisfaction, but there are questions over its efficiency.

It can thus be argue that leadership is both people and task orientated. Look at a definition of leadership; Chemers (1984) described leadership as "the process of social influence in which one person can enlist the aid and support of others in the accomplishment of a common task." According to this definition the very act of influencing other people delivers the task, making the act of leadership both people and task orientated simultaneously.

At first glance some may think that this description advocates a people orientated approach. But building relationships for the sake of having relationships does not enable leaders to deliver organisation objectives. Having a nice place to work where everyone is happy, but where they don't perform won't deliver shareholder value, and is not sustainable in the long term.

Leaders need to facilitate positive interactions with those that they lead. They must, through influence, impact the way in which teams interact, the organisational environment, employee wellbeing and commitment and job satisfaction but always with the purpose of delivering the organisational goals.

Finding the balance between task-oriented leadership and people-oriented leadership requires a leader to develop their awareness of their emotions and social intelligence along with their ability to set goals and manage performance. Open and sincere communication of what tasks need to be done, whilst building trust and understanding, developing individuals and cooperation help to align individual needs with organisation needs.

Staying involved can be regarded as 'walking the talk,' and it is the behaviour that separates the real leaders from the figureheads. Since top executives have so many responsibilities, it would be easier if their job in leading change was over once they had articulated a vision and instilled it in the top managers, who would disseminate it throughout the organisation. However, successful change management requires their continued actions as champions, role models and overseers of change. Their active involvement may include steering committees or participating on it, presiding over ceremonies where employees are rewarded for their adherence to the new behaviour, continuing to communicate in large and small forums, and visibly adopting the new behaviors being asked of everyone in the organisation, such as participative management, focusing on processes and making fact-based decisions (Oakland. 1993).

4. Conclusion

According to Dr. John Chamberlin's (2010) report on some research, he used two examples in his review of BPR failure. (a) The reengineering leader must be a senior executive who is passionate about reengineering and has a strong commitment to it. Passion and commitment are insufficient, as the leader must have authority to implement the changes needed to support major process redesign. Should these elements be missing in the leader, then the leader must be educated to understand the complexities of reengineering and why the dynamic leadership is so important. (b) Leaders attempt to reengineer without fully understanding what reengineering is, and where it is headed. As a result BPR efforts may be abandoned in midstream.

So Leaders, do you want to change? The change starts with you. Change is needed to evolve and move the company to where you envision it to be. However, your commitment to this change effort is of vital importance for the success of change. Leaders need to convince their leadership team and the leadership team needs to convince their staff. Once the convincing stage has been bought, leaders at all levels need to live and demonstrate the change to avoid being part of the statistics.

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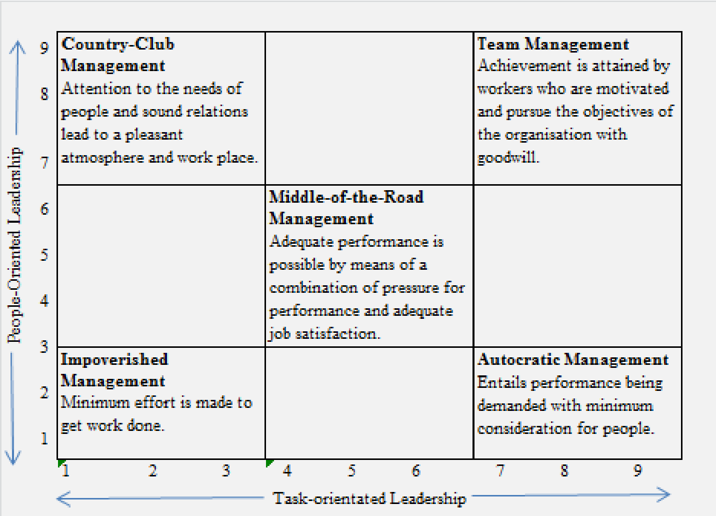

Country-Club Management
Attention to the needs of people and sound relations lead to a pleasant atmosphere and work place.

Team Management
Achievement is attained by workers who are motivated and pursue the objectives of the organisation with goodwill.

Middle-of-the-Road Management
Adequate performance is possible by means of a combination of pressure for performance and adequate job satisfaction.

Impoverished Management
Minimum effort is made to get work done.

Autocratic Management
Entails performance being demanded with minimum consideration for people.

Figure 1. The Leadership Grid

Source: Blake, R.R. and McCanse, A.A. 1991 Leadership Dilemmas – Grid solutions. Scientific Method, p. 29

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