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# Establishing a New Vision for BPR in a Large, Complex, Public Sector Organisation

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## ABSTRACT

Successful *change* in local government can only exist if we take into account both the complex machinery of public sector service delivery and also the values and beliefs inherent within those services. This unique organisational arrangement requires a distinctive approach to change; evident in the reinterpretation of change methods within the public sector. This argument transpires from a longitudinal action research project in one of the UK's largest city authorities: Leeds City Council. Highlighting a dramatic change of leadership and strategic approach in ICT delivery, this paper ascertains and discusses a set of components arising from the implementation of a newly styled Business Process Reengineering group.

## Keywords

Business Process Reengineering, Change Management, Public Sector, Government, E-Government, Efficiency.

## INTRODUCTION

Across all sectors, successful examples of change through Business Process Reengineering (BPR) have, at best, been sporadic. Extensive research has attempted to draw out those factors that led to failure, for example, associating reengineering with downsizing. Such discussions take on added significance as the UK government pushes for year on year efficiency savings of 2.5% (Gershon, 2004). It would seem that the efficiency agenda puts an emphasis on the reengineering of internal structures and processes of government. Logically, the two go hand-in-hand because many of the benefits (service improvements and savings) from investment in websites, contact centres and one-stop shops can only be realised once back office processes have been redesigned and fully integrated with these customer service channels. BPR, then, has emerged on the radar of local government. Local authorities are now asking for expertise in constructing BPR activity within their organisations.

The fundamental aim of this paper, then, is to present informative research on the creation, and eventual working structure, of a BPR team within local government. The thesis suggests that BPR has an increased chance of succeeding through the acute orchestration of teams and people. Leeds City Council (LCC) is the first case put forward in this emerging research strand (LCC is the UK's second largest Metropolitan Borough serving a population of 700,000.); an organisation that has put BPR back on the centre stage and from the period April 2005 to April 2006 those BPR efforts have been centred within Benefits, Education, and a Corporate Contact Centre initiative.

## BRIEF REVIEW OF THE LITERATURE: BUSINESS PROCESS REENGINEERING

Building on the principles of scientific management, BPR emerged from Hammer and Champy, who recognised the opportunities contained in new technology, and more importantly its application. "Companies tend to use technology to mechanise old ways of doing business... they leave the existing processes intact and use computers simply to speed them up" (Hammer, 1990). Yet BPR is more than just the application of ICT; it is a philosophy that challenges the fabric of an organisation. Why does it do the things it does? As organisations grow they adopt rules, policies and procedures. They form a model of organisation (bureaucracy) using the technology of a time; paper and pen (Weber, 1914). Today, we have new technology, so we need new process – "we need to radically redesign our processes" (Hammer, 1990).

This philosophy is a sound one, but the academic community has learned many lessons from its adoption in industry. Practitioners probably followed the mantra too well, believing that computers could replace the work of humans. Although obvious efficiencies can be found from this inertia, BPR was labeled with downsizing. It did not deliver those, perhaps, soft system ideals: improved customer service and work place environment. Hammer himself noted that he failed to adopt people both in the process of change, and in the change process itself. "I wasn't smart enough about that ... and was insufficiently

appreciative of the human element” (White, 1996). The emergence of Knowledge Management (KM) is, perhaps, a response to this shortfall. Prusak and Wiig suggest that BPR has simplified the problem setting and scope; “Whereas simplicity has been their attractiveness, it is also their weakness. KM takes a more holistic approach from many backgrounds and develops our understanding and solutions to complex problems that much further” (Prusak, 2001, Wiig, 1997).

The point is made that local government when approaching BPR must take from the lessons learnt in the academic literature. Local authorities are, by their very history, complex and bureaucratic, so they need techniques to challenge outdated rules and policy. Local authorities are faced with efficiency pressures from central government, but they must be cautious of simply automating or even downsizing (this might have a negative effect). Local authorities are concerned with public sector values and public service delivery, so they should consider people in radical redesigns. These points cannot be underestimated, and should be molded into the visioning of BPR in local authorities.

## **ACTION RESEARCH CASE: LEEDS CITY COUNCIL**

### **Research Method**

The formation of the research problem and research questions was constructed through a review of the literature and, primarily, the placement of that theoretical knowledge in the problem setting, or Action Research (AR). AR simultaneously assists in practical problem solving (establishing a vision for BPR) and expands scientific knowledge in a cyclical process aimed at increasing understanding of a given social situation (Hult and Lenung, 1978). Within this method, the researcher was placed in Leeds City Council supporting the construction and implementation of an organisational wide BPR team. Working with the newly installed BPR manager a clear set of problems and questions were raised forming the direction of analysis and understanding through idea generation and further data collection.

The research questions included:

- What strategies are available in the implementation of a BPR team or BPR activity?
- What leadership is required in and around BPR activity?
- How has the concept of BPR been interpreted in practice?
- How are BPR teams and BPR orchestrated within local authorities?
- What critical success factors and pitfalls should be considered when developing BPR activity?

### **Case**

#### *Strategic Visioning*

In all organisations, public and private, leaders can be crudely separated into two types. Those who preserve the fluidity of day to day operations whilst looking for improved economies and process efficiency, and those who bring about radical change. One does not reign superior over another; they are simply an alternative dependent on the environment, position and nature of the organisation. When appointing a radical change leader it should be expected that their visions, methods and work ethic are likely to be very different to anything that has come before.

LCC, it could be argued, took a great risk in appointing a Head of ICT whose background and expertise was situated in customer service and *not* technology. Yet, as with any large organisation the authority had its experience of troublesome Information and Communication Technology (ICT) implementations. The ICT department was structured in a way that would always put technology first; supplier selection, business case preparation, and implementation plans. This approach left the ICT department vulnerable to attack. If the implementation failed (system rejection or severe service disruption) the technology was first in the firing line. But, as the IS literature suggests, technology implementation can only be successful if it is aligned to the process context and expectations managed within the service. Technology is not the panacea; it cannot solve all our problems.

From this legacy, the newly installed Head of ICT had a clear agenda to turn the department on its head. ICT could not be seen as a mere support service satisfying itself with maintaining operating performance. Rather, it had to build capability so that it could challenge the organisation with new ideas for service delivery, and in the end deliver successful change; a simple name change of the department alluded to this new position: Innovate Change Transform (ICT). But, taking centre stage is no easy task. It is a position that needs backing at the highest level; a factor highlighted by Mento in his analysis of successful

change programmes, and one drawn into the new appointment. In this regard, the Head of ICT was positioned amongst the executive committee and maintained regular communication with the CEO (this dynamic is shown within figure 1).

Challenging the organisation was also politically sensitive, and had to be considered when positioning the BPR team in the organisation. Change projects will often fail when organisational actors feel isolated from a programme that is being done to them and not with them. With this belief in mind, the vision for BPR was translated into a corporate design (again figure 1 portrays the linkages constructed within LCC). The BPR team was positioned so that it spearheaded all change projects. It was tasked with analysing the service areas with rigorous analytical techniques, but also building a team of sufficient creativity so that new designs and proposals could be formed. By marrying services areas, delivery channels and technical specialists together *through* BPR expertise, change, it was believed, would be more likely to succeed. People, process and service are assessed and understood before introducing technology, and these factors are inculcated in the new design.

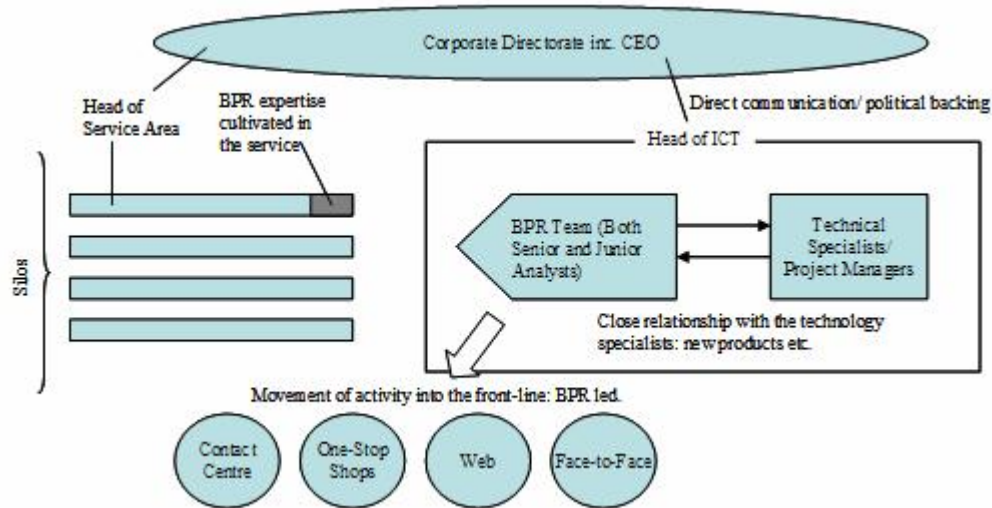


Figure 1. Positioning BPR in LCC

#### Tactical Development

The vision was clear: BPR had to deliver more than just process improvement. A set of professionals who were skilled in radical change, able to think from a cross-functional perspective, and challenge the organisation whilst understanding political sensitivity. Recruitment was made in waves, and began with the appointment of a BPR manager with prior experience of BPR projects and methods in other local authorities. The BPR manager radiated energy and enthusiasm, but balanced this with stories and experience from the front-line. However, the BPR manager soon realised that her role was going to be more than just working in the trenches. Expertise and activity would be required in forming relationships at a senior level and removing political barriers. There was also a necessity to protect the team from local and national priorities, but rather present this as a manageable plan.

The BPR manager also cited the importance of developing a team that had the best mixture of skills to deliver service transformation. A set of skills so varied that it might well be impossible to find them in any one individual: critical analysis, innovative thinking, accurate presentation, communication, and the scientific underpinnings of BPR (process and metric analysis). Openings were made for both senior and junior analysts, the rationale being that mentoring could take place. It was also felt that personality was key. The analysts had to be able to work in and around people. They would need to understand relationships, people and politics. New processes and technologies don't deliver change; people do.

On the theme of people, the sharing of knowledge was also to be a key facet of the team's development. It was agreed early on that weekly sessions would be held, whereby each team member was able to present their change programme. By opening their work to peer review colleagues were able to take a step back, and perhaps move a programme forward with an insightful suggestion. Building this supportive ethos was seen as critical to the BPR manager.

### Operational Considerations

Change begins on day one. The initial meeting with a service area can prove decisive in the overall success of a change programme. The BPR leaders wished for the change experience to be a positive one. An opportunity for service areas to cite their ideas for change. What could make their life better in the organisation? Tapping into the core of public service delivery we are able to ask, quite simply, what drives you to work each day? To make a better life for children, perhaps, or to type hundreds of forms into a child services database?

Techniques were also applied to agree consensus across the various stakeholders within any one service area. A formal agreement has to be made as to what a service area is there to do. Not strategy, policy, or objectives, but the reasoning behind a department's existence. Agreement across stakeholders is critical, and workshops were devised to ensure participation in the process.

BPR training was also offered to process stakeholders within the service areas (refer to figure 1). This allows the fundamental role of the corporate BPR team to change over time, and possibly run a greater array of projects. Rather than drown in process mapping, the BPR team could simply facilitate and support this activity, while applying their time and skills in creative redesign and technology investigations.

### CONCLUSION

This paper has gone some way in setting a research agenda that considers the visioning of BPR in local government. It forms from a founding thesis that change has an increased chance of success if the orchestration of people and politics is considered before method.

From the case presented, two key themes emerge. Firstly, that by utilising the potential of actors across the organisation, you fundamentally change the role of the core BPR team. In a large, complex, organisation this notion is highly significant in that it allows the BPR team to cover more ground than they might otherwise. It also allows the BPR team to tap into the motivations and ideas of the service actors. Secondly, that change is delivered through people. Method will only take you so far. A BPR team must first refine its communication across the organisation and also the role and value of people in new service redesigns. Public service delivery centres on a concern for the needs, wellbeing, and interests of their citizens; a process that cannot be automated.

The research is currently limited in its attempt to attribute the success of change efforts (greater efficiency and effectiveness within the organisations service areas, higher workforce morale, and/ or increased customer satisfaction) with the formation of BPR in the local authority. The factors elicited from this exploratory study will need preparing as a set of explanatory variables to successful change and tested through qualitative means.

### ACKNOWLEDGMENTS

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