FUNDAMENTAL BASES OF REENGINEERING

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The basic assumptions about how to manage enterprises or institutions have changed little in the last fifty years. During the past two decades something happened—first in mass-production manufacturing, then in service companies and non-profit entities. Customers or constituents experienced growing disaffection, employee turnover increased, sales flattened or fell, operating expenditures for non-profit institutions rose dramatically, and productivity had slower than expected growth. We have come to the point, then, where we must "reengineer" our basic business processes whether we are in a business, industry, government, or educational enterprise. Reengineering can be defined as using the power of modern information technology to radically redesign administrative business processes in order to achieve dramatic improvements in their performance.

Although the basic concepts of transformation or reengineering are straightforward and relatively simple, implementing them is a major undertaking by any existing organization. It will generally involve: overcoming organizational resistance, adopting a different style of leadership, introducing a new organizational culture, empowering individuals, developing flexible teams and self-oriented workgroups, significantly and continually raising standards, many times through endeavors such as total quality management programs, redefining the organizational structure, creating well designed internal and external networks that rely on social interaction and electronic communications, addressing a whole host of auxiliary issues such as new policy/procedure development, ongoing training and education, dealing with technophobia, good strategic planning and management.

Overcoming Organizational Resistance. If an organization is to be transformed it must engage in a prolonged change process. Change of major magnitud almost always is threatening.

Adopting a Different Style of Leadership. Leadership is perhaps the key issue in reengineering. According to Peter Senge, the traditional view of leaders is one of stereotyped heroes, special people who set the direction, make the key decisions, and energize the troops. They are great men and women who rise to the fore in times of crisis.Introducing a

New Organizational Culture. The transformation of an institution will probably begin with a redefinition of prevailing organizational culture.

Empowering Individuals. Autonomy, on the other hand, reduces our need to give attention and power (and, often, fear) to those above us, and demands that we take responsibility for our actions. It helps the organization to support courage and independence.

Developing Teams and Workgroups. Empowerment, then, occurs when power goes to employees who experience a sense of ownership and control over their work. In the flatter organizations of the information/service economy, one form of empowerment comes from the formation of self-directed teams or workgroups.

Setting New Standards for Quality. Common to all approaches is the idea of introducing new standards or measures that are much higher than prior expectations.

Redefining the Organizational Structure. Nolan contends that over the past fifteen years functional hierarchies have begun to dismantle themselves by eliminating layers of mid-managers and reducing the proportion of operational and clerical positions while the proportion of knowledge workers has increased significantly. These new network organizations will formalize structures during this decade.

Building Networks. Networks encompass alliances and joint ventures with other organizations, informal ties among internal teams that work across functions, and new ways of sharing information using telecommunication infrastructures, management information systems, and other such technologies.

Addressing Auxiliary Issues. As the process of transformation gets fully under way, many other issues that require attention may be recognized, such as policy/procedure development, ongoing education and training requirements, and technophobia.

Strategic Planning and Management. Strategic planning and management structure the framework which allows reengineering principles and related tenets to be interwoven, more fully developed, and implemented.

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