

The Transfer of Culturally-grounded Management Techniques: The Case of Business Reengineering in Germany

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Business process reengineering (BPR) continues to sweep across Europe with fervour. The rhetoric of radical performance improvement is too great to ignore, given the state of many European companies. In many cases the reengineering drive has been orchestrated by American companies either moving into Europe or implementing strategies dictated from their US base. Yet reengineering is essentially an American concept, packaged so as to appeal to that country's psyche. This article examines the transfer of culturally-grounded management techniques, in this case BPR, making specific reference to the German business and cultural context. © 1997 Elsevier Science Ltd

At the beginning of this decade, a management concept labelled *business reengineering*¹ appeared on the management horizon in the US, later spreading to Europe and elsewhere. This 'new' concept claimed to offer the prescription for radical improvement in the dimensions of organisational efficiency, effectiveness and adaptability. In contrast to previous management approaches such as just-in-time (JIT), total quality management (TQM), lean production and *kaizen*, which focused on particular areas of organisational performance such as time or quality, business reengineering purported to represent a very well-integrated amalgam of the latest thinking in management techniques.² However, many initiatives have floundered, not so much as the concept is flawed, but more so because many organisations did not appreciate the tremendous upheaval necessary to migrate from traditional vertical structures to a new

process-oriented architecture (Davenport and Stoddard, 1994; Peppard, 1996).

Significantly, very little research has been conducted with regards to the effects of national cultural circumstances upon the success or otherwise of reengineering projects. In reality, management theorists and practitioners often fail to take cognisance of the cultural grounding of management concepts. This article considers the German business cultural context and assesses the extent to which German companies can assimilate the directive of reengineering. Simultaneously, it also considers whether a management prescription developed within the US business domain can be effectively transferred or exported to European countries. The article also identifies the aspects of German business and management practices which might be usefully incorporated within the reengineering paradigm.

The Cultural Context of Management

Business reengineering, as an American concept, is essentially a product of the Anglo-Saxon Classical school of rationalised scientific management thought. In fact, most theories of organisation, and many of the fundamental and underlying principles of management, have emerged from under the auspices of the American-dominated Classical school. However, this traditional economics-influenced school of management thought, in a detached and almost aloof manner, often views

organisations as machine-like constructions without internal politics, personalities or people. Human beings are perceived as company 'resources' or factors of production, and managers as detached and highly rational economic agents whose attention is solely focused upon profit maximisation.

However, in reality management is a rather social, political and culturally-determined process. Furthermore, business takes place in a very diverse world, with a mosaic of vastly different cultures (both corporate and national) and social systems, which results in a wide variety of management practices. In other words, management practice is very much embedded in, as well as determined and facilitated by, the social, economic and cultural environment in which it takes place.³ To a certain extent, the validity of a particular management theory or practice may well be limited to that theory's country or cultural centre⁴ of origin. By the same token, it is unlikely that there can ever be a universal management theory or 'one true way' to organisational design which applies with equal efficacy to all cultural and organisational contexts. Moreover, the worldwide success of Japanese and South Korean firms using techniques at odds with conventional management thought has drawn the generally accepted wisdom and universal validity of the hegemonic American business schools into question. Hence, it could prove a fatal mistake to simply imitate, import and apply an Anglo-Saxon management philosophy to an organisation which is based in a significantly different business culture without a clear and thorough understanding of that country's and that organisation's social, cultural and management nuances.⁵

At this juncture, the reader may well question the 'Americanness' of the reengineering discipline. After all, a number of European consultants and academics have conducted research and published books in this area. However, a brief survey of the concept's origins and short history will underline that business reengineering is in essence an American-created concept originally intended for use in the US business environment.

Business Reengineering: Made in the USA

The concept Business Reengineering⁶ first surfaced during Massachusetts Institute of Technology's (MIT) extensive research programme *Management in the 1990s*, which examined the role that IT would play in organisations in the 1990s. Simultaneously, researchers and consultants at the Index Group (now CSC Index) were conducting parallel research on the link between technology and business change. In the Summer of 1990, Thomas Davenport and James Short published a paper, 'The new industrial engineering: information technology and business process redesign', in the *Sloan Management Review*. Following the success of Michael Hammer's article in the *Harvard Business Review*, 'Reengineering

Work' (1990), and his bestseller written with co-author James Champy, *Reengineering the Corporation* (1993), the reengineering philosophy found itself very much in the focal point of American management thinking.

One only has to glance through the opening pages of the original edition of Hammer and Champy's bestseller to realise that the clever marketing and rhetoric associated with the concept is tailor-made to the specific needs and characteristics of the American business culture. Reengineering is proposed as a kind of organisational vehicle used in order to emerge victorious from the competitive battle with the Japanese. Business reengineering is praised as a sort of secret formula, the American retort to Japanese concepts such as TQM, JIT and *kaizen*, and a means to return to former glories: 'the alternative is for corporate America to close its doors and go out of business ... Reengineering isn't another imported idea from Japan' (Hammer and Champy, 1993: 1-2). Furthermore, Hammer and Champy's rhetoric appeals to the old reliable American virtues and plays upon the ideals of the 'American Dream', and claims that the American culture is uniquely suited to the reengineering approach.

Reengineering capitalizes on the same characteristics that made Americans such great business innovators: individualism, self-reliance, a willingness to accept risk and a propensity for change. Business reengineering, unlike management philosophies that would have 'us' like 'them' [the Japanese], doesn't try to change the behaviour of American workers and managers. Instead, it takes advantage of American talents and unleashes American ingenuity. (Hammer and Champy, 1993: 2-3)

In its purest and most radical form, business reengineering possesses many key features, which can be clearly identified as unambiguous examples of the American-dominated classical school of management thought. In its original conceptualisation, it is results-oriented and hence strong on prescription, yet weak on implementation (Peppard, 1996). In its 'pure' form, reengineering's key tenets included:⁷

- ❖ An emphasis upon forceful top-down change driven by an omnipotent senior executive.
- ❖ The requirement of 'clean-sheet' change ignoring existing managerial, cultural and organisational circumstances.
- ❖ The blatant disregard of the wide-ranging and long-term impact of change and technology on society and business practices.
- ❖ A ruthless, intolerant approach to employee resistance.⁸
- ❖ A revolutionary, aggressive almost violent tone is closely associated with the evangelical rhetoric of many proponents.
- ❖ The patent neglect of the human implications of radical organisational change.

Hence, business reengineering's applicability to Germany certainly cannot be assumed or taken for



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