Transformational change and business process reengineering (BPR): Lessons from the British and Dutch public sector

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ABSTRACT

Facilitated by electronic government, public agencies are looking for transformational change by making a radical improvement. At first glance, this development is similar to the business process re-engineering (BPR) movement in the private sector. While policy makers and practitioners in the public sector have branded their recent improvements as BPR, the academic and research community have thus far eluded from making any comparisons. This has left a vacuum in terms of understanding the complexity of the challenges facing e-Government re-engineering and resultant change in public agencies. The aim of this paper is to translate the BPR movement findings to the field of e-Government induced change in the public sector. BPR characteristics and challenges are derived using normative literature and compared with two cases of public sector transformation in the UK and Netherlands. The results of these cases show that e-Government-induced change requires a plan for a radical improvement which, in contrast to BPR, is obtained by incremental steps and has a high level of participation. The findings offer policy makers valuable insights into the complexities and possible strategies that may need to be followed in order to succeed in e-Government implementation.

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1. Introduction

Traditional public administration practiced in government agencies dates back many decades. The public services offered were highly bureaucratic and siloed where the public has no choice of a service provider. Information and communication technologies (ICTs) were overlaid onto existing organizational structures and processes without any consideration to how they can be improved. In this context, changing the behavior of government organizations and establishing co-operation between government agencies is fraught with difficulty. Usually, it is easier for governments to create (national) web portals to assert their e-Government presence, but this has merely amounted to information being reorganized without any fundamental change to existing back office processes or information systems and technology (IS/IT). Given these issues, like many other Western European nations, the UK and Dutch governments are striving towards a vision for government-wide transformation. While the early stages of e-Government focused on e-enabling customer-facing services in both these countries, the latter stages of e-Government are focused towards more transformational change in public sector agencies. This second stage of e-Government are often referred to as the transformational stage of e-Government or as the UK brands it, transformational government (t-Government) (Chief Information Officer Council, 2006).

In both the UK and Netherlands public agencies are struggling to successfully achieve the levels of radical change that is required to realize fully integrated 'one-stop' e-Government due to various social, organizational and technological challenges at both governmental and individual citizen levels (Gascó, 2003; Irani, Elliman, & Jackson, 2007; Irani, Love, & Jones, 2008; Klievink & Janssen, 2009; Weerakkody & Dhillon, 2008). Moreover, both researchers and practitioners have suggested that if e-Government is to be used to successfully transform the public sector (i.e. reduce cost and eliminate waste, improve efficiency, accountability, transparency and quality of service), public agencies will need radical changes in core processes across organizational boundaries, in a manner that has not been seen before in the public sector (Kim, Pan, & Pan, 2007; Murphy, 2005; Weerakkody & Dhillon, 2008). The challenge ahead, therefore, is similar to what was seen in the private sector in the early 1990s with BPR where a radical redesign of business processes was needed to achieve dramatic improvements (Hammer & Champy, 1993). As we are now well aware, BPR was infectious in the 1990s with many medium and large organizations embracing the movement (O'Neill & Sohal, 1999; Willcocks, 1995). However, the mixed results experienced in the private sector meant that many in the practitioner community became skeptics of the concept while at the same time the academic and research community became severe critics of BPR (for example O'Neill & Sohal, 1999; Weerakkody & Dhillon, 2008).

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The aforesaid context has created a taboo where few e-Government researchers dare to delve into the topic of BPR or look at learning from prior studies of the BPR movement. In particular, few studies have made direct comparisons of the ICT-enabled change (or e-Government) in public agencies to BPR. It is fair to argue that this is due to some of the negative publicity BPR received during its heyday in the early 1990's. Yet, the premise of this paper is that many lessons can be learned from the BPR era in relation to e-Government/IT implementation. Since e-Government needs structural and procedural changes in public agencies to improve service delivery, e-Government champions and project managers have started to apply BPR techniques in e-Government.

When drawing likenesses to BPR in the private sector, recent work identifies a large number of challenges facing transformational type radical change in the public sector (Irani et al., 2007; Weerakkody & Dhillon, 2008), which are multi-faceted and complex. A significant challenge is for government agencies to carefully consider and address the key change barriers and challenges before embarking on change initiatives that are introduced as part of e-Government programs. The lack of identity for e-Government led public sector change initiatives and the tarnished image of BPR have all prevented many researchers from drawing from BPR literature and experiences to study e-Government induced change. Herein lays the reasoning for this research: the authors are motivated to indentify and understand the socio-cultural, organizational, process, and technology challenges that public agencies face in designing and implementing e-Government. Most significantly, this research contributes to e-Government knowledge by capturing and mapping these barriers against e-Government and BPR literature, which would help policy-makers to improve their change strategies.

Two European nations, Britain and the Netherlands, which are at the forefront of e-Government implementation, provide the empirical context for this research. This research is timely as both the British and Dutch policy-makers are looking for transformational change and are looking at the BPR movement to learn from this. In particular, experts from the private sector era have been appointed as consultants to help reengineer business processes and e-enable Information Systems (IS) in public agencies in both countries. Nevertheless, as stated before, the BPR movement has been criticized and cannot likely be translated to the public sector on a one-to-one basis; this paper aims to improve the understanding of BPR in the public sector and examine the similarities and differences in the translation of private sectors efforts to the public sector.

In the UK, the e-Government influenced transformational government policy aims to place technology at the heart of the transformation agenda to improve public service delivery over a six-year period (from 2005 to 2011) (Chief Information Officer Council, 2006). Transformational government is seen in the UK as the second phase of e-Government, which focuses upon cost savings and service improvement through back-office process and IS/IT change (Murphy, 2005; Weerakkody & Dhillon, 2008). In the Netherlands, the ambitions of transformational government are primarily focused towards reducing the administrative burden of back office processes in public agencies and only thereafter at improving service provisioning to citizens. In this context, the Dutch government utilizes a strategy of collaboration and partnerships which are aimed at sharing services and work with the focus on delivering more joined-up, citizen centric online services (Janssen, Joha, & Weerakkody, 2007). Now that online presence and online transaction services are in place in the context of e-Government, both countries are looking for more fundamental ways to achieve demand-driven government; thus the need for radical change and the concept of 'transformational government' is pushed forward.

Since there is limited literature on the concept of 'transformational government' (Kim et al., 2007) and transformational government seems to resembles similar characteristics to BPR (i.e. radical change), the objective of this paper is to investigate whether the 'implementation of change' in the public sector can learn from the vast amount of available BPR literature. This should help policy makers and practitioners to leverage the lessons from BPR and not simply copy and paste them into an implementation of t-Government.

To achieve this aim, this paper is structured as follows. The next section offers a brief review of literature on the research theme, transformational government and BPR. This is followed by an outline of the research approach adopted and the presentation of two case studies of transformational change in the UK and Netherlands. Thereafter, the literature and empirical findings are synthesized. Finally, the paper concludes by highlighting the key research findings, identifying the limitations and proposing areas for future research.

2. Transformational government and BPR: a literature perspective

This section includes a discussion of the evolvement and nature of t-Government and a definition of t-Government. This is followed by an in-depth review of the literature regarding the characteristics of BPR. By combining these insights a framework for analyzing transformational efforts is developed.

2.1. t-Government

In most Western European countries, including the UK and Netherlands, transformational government or t-Government has naturally evolved from e-Government. Yet, there still remains considerable confusion about t-Government. The definitions offered for e-Government differ according to the varying e-Government focus and are usually centered on technology (Zhiyuan, 2002), business (Wassenaar, 2000), process (Bonham et al., 2001), citizen (Burn & Robins, 2003), or a functional perspective (Seifert & Petersen, 2002). These different schools of thought show there is no universally accepted definition of the e-Government concept (Yildiz, 2007). However, we can distinguish between transformational government and e-Government, which covers broader organizational, and socio-technical dimensions which involve fundamentally changing the structures, operations and most importantly, the culture of government (Irani et al., 2007; O'Donnell, B., R., & Timonen, 2003; Ramaswamy & Selian, 2007). t-Government encapsulates a wider perspective of change than e-Government and focus on achieving changes in comparison with the current structure. In the view of t-Government, the early stages of e-Government utilized the current structures and way of working and were aimed at making information and services online. Given this context and our research objective, we introduce the following definition for t-Government:

> t-Government is the ICT-enabled and organization-led transformation of government operations, internal and external processes and structures to enable the realization of services that meet public-sector objectives such as efficiency, transparency, accountability and citizen centricity.

In this definition we propose that the creation of citizen-centric services requires considerable changes at all levels which might need radical changes, rather than incremental improvement.

Lee, Tan, and Trimi (2005) and Norris and Moon (2006) found that local e-Government efforts remain primarily informational (i.e. offering basic online services) and seldom are they achieving changes like joined up service delivery or the potential positive impacts claimed by its most dedicated advocates. Given this context, authors such as Kraemer and King (2005) argued that e-Government is not transformational, but is incremental (for instance as suggested by Carr & Johansson, 1995; Davenport, 1993; Harrington, 1991). Kraemer and King (2005) further predict that the path of local e-Government efforts that have been observed to date (i.e. incremental change) is likely to continue into the foreseeable future. Even though many governmental entities have built single point of access to key public