Leadership behavior and business process reengineering (BPR) outcomes
An empirical analysis of 30 BPR projects

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Abstract

Lack of leadership is frequently a cause for the high failure rate of business process reengineering (BPR) projects. According to many experts, BPR implementation requires a top-down, directive leadership style. Yet, it also requires the management of motivated, skilled, independent-thinking people doing non-programmable tasks for which a non-directive leadership style is most suited. This creates an inherent conflict for BPR leaders on choosing the appropriate style. Applying the leadership effectiveness framework, this study conducted an in-depth empirical analyses of the relationship between IS leadership behavior and BPR outcomes for 30 BPR projects. We found that successful BPR leaders use leadership styles that fit the type of task that needs to be done and the needs of the people that will perform the tasks. Also, successful BPR leaders balance their efforts between meeting the needs of the people doing the work and the needs of the work. The results provide guidelines for both leadership practice and empirical research. © 1999 Published by Elsevier Science B.V. All rights reserved.

1. Introduction

BPR has been proclaimed the 'single best hope' for restoring competitive advantage [22]. Indeed, it was estimated that companies would spend $52 billion on BPR in 1997, $40 billion of which would go to information technology [52]. However, BPR is notorious as a challenging pursuit; even advocates estimate that 50–70% of all BPR efforts fail [20,23].

There are a variety of reasons cited for this high BPR failure rate: employees' resistance to change, inadequate attention to employee concerns [41], inadequate and inappropriate staffing, flawed objectives, inadequate tools for the developers and users, goals not aligned with strategy, lack of measurable and attainable goals, and a lack of oversight during implementation and follow-up phases. While some projects fail from poorly formulated strategy, one principal cause is a failure in committed leadership [21].

Yet, the message to leaders embarking on BPR especially IT leaders who usually play a key role

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in BPR is inherently conflicted. On one hand, BPR is a top-down phenomenon where a directed, committed leadership is critical for success particularly in the implementation phase [8,30]. On the other hand, BPR implementation is highly non-programmable requiring highly motivated, skilled and independent people who can solve all the unforeseen problems and challenges that BPR poses. Thus, there is a potential conflict between the nature of BPR and the style of leadership typically used; BPR leaders are required to be directive while they must also allow people to be motivated and independent. This leads to an unresolved question: is a directive or non-directive leadership style more effective in implementing BPR projects? Unfortunately, few theoretical analyses offer insights to scholars, and no systematic guidelines are available to practitioners.

Applying the Flamholtz Leadership Effectiveness framework [15,16], this study analyses the relationship between IS leadership behaviors and BPR outcomes for 30 completed BPR projects.[1]

2. Theories of leadership

2.1. Research on BPR leadership

While few studies explicitly looked at the differences between successful and unsuccessful BPR projects, previous studies identified the characteristics of successful leaders of IT projects. These studies found that 'IT champions' are characterized as charismatic, motivating, and intellectually stimulating; they inspired others to go beyond self-interest for a higher collective purpose [3,29]. Compared to other managers, champions have the organizational power and knowledge to overcome resistance [32,37,45]. Another study, looking at 15 successful reengineering projects, found an easily identified champion who was involved throughout the project [11]. The Reich and Benbasat [42] study also found that IT efforts did not perform well when the champion lost direct control.

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[1]The majority of BPR projects end prematurely because of their unmet milestones and unplanned, escalating commitment of resources.

2.2. Research on BPR implementation

Lewin [35] posited that change has three phases (unfreezing, moving, and refreezing), but are the phases equal in importance for predicting success? Zand and Sorenson [57] found implementation, or refreezing, is more strongly associated with success than the other two. Reinforcing these findings on the importance of refreezing, implementation, for successful change, Grover et al. [19] reported that change management is critically important for success. When BPR participants from 105 organizations ranked the importance of 64 BPR problems gleaned from the literature, change management problems were the most severe. Some problems were not recognizing the need for change, maintaining a rigid hierarchical structure, and failing to anticipate and plan for organizational resistance.

2.3. An overview on leadership theories

Leadership studies have either emphasized the characteristics, or *traits,* of leaders or their *behavior.* For many years, researchers attempted to find a pattern of *traits* of successful leaders. Yet, after numerous studies the conclusion was that the traits associated with leadership in one situation had no predictive power in another [50].

Then the emphasis in leadership research shifted to looking at leadership *behavior.* The result has been a number of theories that explore the effectiveness of leadership styles and behaviors. While some theories found a leadership style that was better than others [4], most leadership behavior theories adopted a contingency approach [12,13,14,17,26,27,31,43,53]. Under this approach, no leadership behavior works in all situations.

More important, none of these theories considered the leadership of *change.* According to Bass [2], the contingency behavioral approach applies only to first-order change where improvement is sought within a fixed, contextual framework. Because this approach aims at meeting the self-interests of followers, it does not apply when second or higher-order change is the goal. The introduction of new paradigms, the radical shift of attention to different concerns, an aroused need for self-actualization, and a sense of urgency in making this change characterize this latter type of change.