

Business Process Redesign: Radical and Evolutionary Change

Sirkka L. Jarvenpaa
UNIVERSITY OF TEXAS AT AUSTIN

Donna B. Stoddard
BABSON COLLEGE

We explore the nature of change when firms engage in business process redesign (i.e., reengineering). According to the proponents, business process redesign is an all-or-nothing affair. Numerous books and articles on the topic promulgate the notion that reengineering is nothing short of a revolution. But the rhetoric can be daunting—and may mislead managers planning to reengineer their organizations. Our field research on 15 business process redesign projects suggests that only one of the two phases of reengineering effort needs to be revolutionary for the project to reach field implementation. Reengineering involves both the design—the blueprint for change—and the implementation of those plans. Reengineering design phase must have elements of radical change. The radicalness instills motivation in ways that more evolutionary projects cannot. But as companies implement the plans, they can—and many do—use a more evolutionary change process, and still gain effective results. Our results provide support to the emerging body of literature that argues that organizations combine evolutionary and radical change harmoniously. J BUSN RES 1998, 41,15–27. © 1998 Elsevier Science Inc.

Reengineering Rhetoric versus Reality

Judging from the rhetoric of its proponents, reengineering is an all-or-nothing affair. Numerous books and articles on the topic promulgate the notion that reengineering is nothing short of a revolution (Hammer, 1990). To reengineer properly, a company must radically redesign its processes into cross-functional ones, and change its organization structure, culture, incentives, and information technology (Hammer and Champy, 1993). This is not an activity for the timid (Johansen and Swigart, 1994). Less than revolutionary changes are almost as bad as not changing at all (Hall, Rosenthal, and Wade, 1993). The reengineering landscape is littered with failures, say the loudest proponents of reengineering,

because too many companies lost their nerve, compromised their efforts to change, and therefore gained minimal advantages for their efforts, no benefits at all, or even did harm to themselves (Hammer and Stanton, 1995; Champy 1995; Hall, Rosenthal, and Wade, 1993).

Some of the academic writers on change resonate the reengineering rhetoric; others contradict it. The revolutionary theorists, particularly Nadler, Shaw, and Walton (1995), argue that for a radical change to occur, the change has to be driven by top management. Also, a performance crisis is required to motivate an organization to undertake radical changes (Gersick, 1991). A crisis might be created by a major change in an environment (Romanelli and Tushman, 1994) or by large and sustained performance declines (Tushman and Romanelli, 1985). An anticipated as well as reactive crisis can be a motivator for radical change (Tushman, Newman, and Romanelli, 1986). Radical theorists also argue that radical change must be effected quickly (e.g., Gersick, 1991, 1994; Nadler, Shaw, and Walton, 1995; Tyre and Orlikowski, 1994).

Beer, Eisenstat, and Spector (1990) provide a contrasting view. They maintain that for a major change to occur, the change must start at the periphery, not at the apex of the organization. Rather than drive change, senior management must ensure a climate and context that promote action from the grassroots level. In fact, some of the critics of reengineering paint a picture that reengineering stifles the organization's capacity for change. Reengineering is labeled as a highly mechanistic, nonhuman approach to accomplish short-term financial gains for the long-term detriment of organizational innovation and change (Shaw and Maletz, 1995). Reengineering creates excessive anxiety and disruption. Unlike reengineering that promotes top-down programmatic change, real change is argued to come from nonprogrammatic, bottom-up or middle-out efforts (Beer, Eisenstat, and Spector, 1990). Such an approach presumably increases a firm's readiness and capacity to change in the future.

The results from case studies on 15 business process proj-

Address correspondence to Sirkka L. Jarvenpaa, University of Texas at Austin, Graduate School of Business, MSIS, CBA 5.202, B6500, Austin, TX 78712-1751.

ects in eight different organizations is quite contrary to either of the two polar views. Reengineering emerged to be revolutionary during design and evolutionary during implementation. Organizations were willing to use much more revolutionary tactics in design because design tended to occur quickly, was somewhat self-contained, and typically had a punctuated end point. Organizations were unwilling to adhere to revolutionary tactics in implementation because of the cost and risk of the revolutionary approach in terms of financial, organizational, and human assets. The revolutionary tactics required greater intrepidity than the organizations were willing to exercise.

The next section of the article contrasts the revolutionary and evolutionary theories of organizational change. We then describe the methodology of the longitudinal case studies followed by results. The implications attempt to integrate radical and evolutionary change.

Revolutionary versus Evolutionary Change

Change in successful organizations has been depicted as "ambidextrous"; that is, "periods of incremental change punctuated by discontinuous or revolutionary change" (Tushman and O'Reilly, 1996). Business process reengineering is seen as an approach to accomplish radical change (Stoddard, Jarvenpaa, and Littlejohn, 1996; Stoddard and Jarvenpaa, 1995; Gallivan, Hofman, and Orlikowski, 1994). Hammer and Champy (1993) argue, "Reengineering isn't about making marginal or incremental improvements but about achieving quantum leaps in performance." Similarly, Davenport (1993) wrote, "Process innovation (i.e., reengineering) is intended to achieve radical business improvement. . . ." The necessary conditions for successful reengineering closely parallel those associated with radical organizational change: top-down driven and directed change that is motivated by a performance crisis.

The recent empirical evidence, however, suggests that the outcomes of reengineering appear to be at best evolutionary (Cooper and Markus, 1996; Stoddard and Jarvenpaa, 1995). Stoddard and Jarvenpaa (1995) describe three reengineering projects where tactics for change became more and more evolutionary over time. Cooper and Markus (1995) describe how a Japanese firm accomplished major change via "humane" reengineering by focusing the change on soft systems (people, values, behavior) rather than hard systems (processes, technology, and structures) that tend to be the focus of classical reengineering (Hammer, 1990). Humane reengineering however, takes a long time, "several years to complete." By contrast, the classical reengineering advises that "Twelve months should be long enough for a company to move from articulation of a case for action to the first field release of a reengineered process" (Hammer and Champy, 1993, p. 212). Sviokla (1996) and Caron, Jarvenpaa, and Stoddard (1994) along with

Tyre and Orlikowski (1994) emphasize the need to act swiftly in radical projects.

Cooper and Markus (1995) as well as Davenport (1993) maintain that the dichotomy of radical and evolutionary change is false. Davenport argues how a firm needs to excel in incremental change to accomplish radical change and vice versa. Cooper and Markus found that within a change program, both radical and incremental techniques were used and both radical and incremental tactics within them. This article explores the radical and incremental dichotomy in terms of the phases of the projects rather than across projects or across techniques used.

Evolutionary Change

Different elements of the evolutionary change are described in such writings as Beer, Eisenstat, and Spector (1990); Kanter, Stein, and Jick (1992); Jick (1993); Leonard-Barton (1988); Liker, Roitman, and Roskies (1987); and Cooper and Markus (1995) (see Table 1). The evolutionary change model embodies the sociotechnical change approach. Change unfolds as a recursive interaction between hard and soft system changes. The model assumes that people who are the recipients of change must design and implement the change. Hence, change should be promoted from within. Change is managed with the current leadership and employees. The communication about change is broad and open. Change must be adapted to the pace and capabilities of people and hence, milestones and yardsticks are flexible. The motivation for change arises from local, internally felt dissatisfaction and a desire to do better. The new processes are piloted and put in place before IT is used to cement the new processes. The pace and nature of change is adapted to be comfortable for the current personnel of the organization and to the other external and internal constraints that the organization faces. Evolutionary change inherently assumes that change is best accomplished in small increments at a time.

Revolutionary Change

The revolutionary change theories based on the punctuated equilibrium paradigm (Gersick, 1991; Tushman and Romanelli, 1985) conceptualize radical change to be interspersed between long periods of incremental change. Radical change changes the deep structure of the organization. Such a change unfolds rapidly and alters fundamentally the basic assumptions, business practices, culture, and organizational structure. High levels of identity crisis, disorder, and ambiguity are associated with radical change.

Radical theorists describe such change to be led by the CEO, be externally imposed, and require external resources and the outside viewpoint (Nadler, Shaw, and Walton, 1995; Gersick, 1991; Tushman, Newman, and Romanelli, 1986). Senior management must drive the change by providing the right vision, creating the right culture, and building the necessary political alliances (Nadler, Shaw and Walton, 1995; Etlie,

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات