Process reengineering in the public sector: learning some private sector lessons

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Abstract
The possible applicability of business process reengineering (BPR) to organisations in the public sector is explored through analysis of the central issues in BPR and the emerging experience of organisations which have recently implemented it. In particular, the paper suggests that success of reengineering may depend critically on the strategic capability of the organisation prior to undertaking the effort. For that reason well-performing organisations are more likely to improve performance by means of BPR than are weak ones. Yet, in the public sector, it tends to be badly performing agencies which are most encouraged to undertake BPR. Knowing and understanding the reasons for success or failure of BPR in private organisations can prepare public sector managers for undertaking the effort, but each reengineering initiative must be tailored to the specific needs and circumstances of the individual agency. Public sector managers should use the widest possible definition of 'value' when analysing value-added in process reengineering and should be especially sensitive to the way in which 'value' in the public sector is differently interpreted by major stakeholders. During this learning process, public sector agencies would be well advised to be conservative in estimating gains from BPR. © 1997 Elsevier Science Ltd

1. INTRODUCTION

Business process reengineering (BPR) has been one of the key fads in business management in the last three years. It has been explicitly promoted by its inventors as a revolution in business thought — it seems that now 'revolution' is no longer being preached by the USSR, it has been taken up by US management consultants.

BPR can be summed up as follows:

(a) organisations must exploit all technologies available, particularly recent developments in information technology; and
(b) the process which organisations use to arrive at the product or service they provide to customers must be radically redesigned in the light of the
organisations' current environment rather than its traditions.

Thus BPR is about breaking off from and doing away with past administrative traditions when marginal adjustments to past practices do not seem to help the organisation in dealing with its current situation (Hyde, 1994).

The purpose of this paper is to explore the possible applicability of BPR to organisations in the public sector, through analysis of the central issues involved in reengineering business processes and a review of emerging experience in organisations which have implemented BPR — these have been primarily in the private sector. In particular, the paper suggests that the success of a reengineering effort may depend critically on the strategic capability of the organisation prior to undertaking the effort.

2. WHAT IS BPR AND WHAT DOES IT IMPLY?

Hammer and Champy (1993, p. 32), the early proponents of the BPR concept, define reengineering as: “the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed”. However, they are a little coy in coming up with a more precise definition. On the basis of their work and subsequent writings by others, it is possible to identify the following elements as important components of the concept of BPR.

- **A complete challenge to the existing situation.** Why is the process in place? Is it really needed? Does it add value? Could other processes, or the application of better information technology, get the same results as the process in question?
- **Radical redesign.** Reinventing the core processes needed in the organisation and breaking away from all past approaches, rather than making do with incremental and marginal changes.
- **Drastic improvement.** New processes should have the potential to improve performance by moving the organisation from one performance curve to a higher one.
- **Alignment with corporate strategy.** Changes should be wholly consistent with corporate strategy — but only after a re-examination of the mission and a redefinition of where the organisation would like to see itself in the foreseeable future, so that the vagueness and ambiguity which are common in published strategies have been eliminated.
- **Value enhancement.** Creating value where none existed before, or increasing the value to meet (or exceed) that of the best alternative products and services anywhere.

Clearly these are highly ambitious claims to make for any management technique. What weapons are at hand? Why should this management technique make a difference, when so many others have proven inadequate to break through the inertia which suffuses most organisations? And, above all, how could such claims be substantiated in the public sector?

One reason for the ambition of the claims is that BPR aims to put rationality and systematic thought back into management transformation efforts, rather than relying on vaguer notions of inspirational leadership and culture change. Key elements of reengineering are **analysis and inductive reasoning.** The two intertwine at each stage of the BPR effort:

- they contribute, in the **first stage** of the preliminary BPR effort, to a better understanding of the issues and problems the organisation needs to address;
- in the **second stage**, analysis and inductive reasoning are used to explore the theoretical capabilities of the organisation, in terms of how well it is likely to be able to address its identified problems. In other words, a model is developed of organisational structure and administrative (work) practices that would allow effective and efficient attainment of goals and would help the organisation to deal with the issues that influence customer satisfaction;
- in the **third stage** of the BPR effort, the gap between institutional capabilities and the issues the organisation must address is defined:
- the **fourth stage** of a BPR initiative involves uninhibited problem solving efforts which assume no prior constraints on the direction or the nature of the solution to the problem, i.e. the generation of imaginative and creative ways of dealing with the identified gap.

These stages constitute a modern reformulation of the technique of function–cost analysis, traditionally used in value engineering (Bovaird, 1976). They require the specification of the core functions of the organisation, not just the activities carried out, in relation to each service provided. They also require the ability to allocate costs of all activities between these functions — a step beyond activity-based costing. Although this cost allocation procedure only needs to be done in a rough-and-ready way, and certainly does not require precise accounting information, it currently poses a rather daunting challenge to most public sector organisations (and many private sector firms).
The strategic thinking needed in this rational approach implies separation of those components of each identified business process that produce 'value added' from those that do not seem to add any value (Manganelli and Klein, 1994). The idea is to eliminate all those steps in the business process, or even a whole sub-process, which are not necessary to sustain or facilitate value-adding functions. Reengineering suggests that the only functions that are of strategic importance to the organisation are those that add value. Effective reengineering projects are always focused on strategic processes, defined in this way.

Possible solutions may emerge in the BPR effort as a result of:

(a) identifying and developing alternative options for filling the gap between institutional capabilities and the issues the organisation must address ('putting the problem right');
(b) devising methods for circumventing or bridging the gap ('making the problem seem unimportant'); or
(c) redefining the mission of the organisation (and thus the set of issues it must address) or its chosen environment (e.g. turning a local operation into a regional/national/international operation or the other way around) ('making the problem irrelevant').

The search down each of these pathways towards a solution is likely to include a close examination of the possible benefits from a greater reliance on information technology, which is a central theme in most BPR writing (Champy, 1995; Davenport and Short, 1990; Halachmi, 1995a; Hammer and Champy, 1993; Hyde, 1994). However, this focus on IT solutions is not the essence of the analysis involved in BPR. Each business process has to be reconceptualised from basic principles. Indeed, the rethinking may need to be even more radical than that: Drucker (1990) has suggested that major productivity breakthroughs in services come not from speeding up or automating the task, as is generally the case in manufacturing, but from redefining the task.

Moreover, BPR provides an alternative perspective on ways of incorporating quality assurance procedures into business processes. Much attention has been given to the fact that in BPR the critical re-examination of all existing processes allows the elimination of unnecessary steps and procedures. However, it is at least equally important that this rebuilding of business processes simultaneously allows the design of a quality management system which ensures that:

- consideration of quality issues is built into each stage of the service planning and delivery process;
- the entire set of activities that add value to a family of products or services is welded into a coherent and continuous 'value stream' (Womack and Jones, 1994);
- the coherence of this continuous value stream is achieved not just for a single organisation's activities but also for those of its suppliers, distributors and customers in the supply chain (Harvey et al., 1993).

The consequence of BPR, carried out in this way, should be that quality problems are less likely to occur and, if they do occur, are more likely to be identified early and dealt with appropriately.

3. ARE PROCESS REENGINEERING AND VALUE REENGINEERING RELEVANT TO THE PUBLIC SECTOR?

The desire to improve the efficiency of administrative and service delivery processes in the public sector is no different from that in the private sector, and the use of productivity enhancement techniques has a long history in the public sector. The application of BPR in the manufacturing realm has, in any case, inevitably involved major consideration of process redesign for services, since so much of the activity in any manufacturing company is provision of internal services. However, some of the characteristics of the BPR effort outlined in the previous section fit less well within a public sector organisational culture than within a private culture:

- 'value added' by specific processes in the public sector cannot be reduced to a single dimension as it sometimes can in private firms, where a 'bottom line' contribution to profit may be appropriate (although this is also unlikely to be easy in many private sector services);
- objective setting in the public sector is often symbolic rather than analytical, making it difficult to identify gaps between aspirations and performance;
- costing systems are often rigid and traditional in the public sector, so that function–cost analysis can only be done informally and by guesstimate (and will therefore be disowned by finance staff in the organisation);
- 'uninhibited problem solving' is particularly unlikely in services with a large professional base, since the power of many stakeholders is only maintained by closely shackling the 'problem solving' activities of other professionals or managers — this also applies, of course, to some private sector services;
Engineering cannot therefore be simply a technical exercise in the public sector, it must always constitute a political debate.

Furthermore, even when a definition of 'value' has been agreed in the public sector, organisational functions and procedures that do not add to value when performed in the private sector may have an inherent legal or symbolic value in the public sector; for example, the concept of due process or the consistent application of decision rules. While in the private sector the only objects of consumption which are recognised as important by the dominant stakeholders are, in most cases, the outputs or the outcomes of a service. In the public sector some key stakeholders essentially derive their value from consumption of the processes (e.g. the groups representing women and black employees who wish to ensure equal opportunities at work in public organisations) or the inputs (e.g. professional associations which wish to maintain requirements for professional accreditation or qualifications in certain processes).

The difference is even more evident in the subtle change in terminology from 'reengineering' to 'reengineering for value' (Wreden, 1995). According to Wreden, reengineering for value involves, among other things, the dumping of marginal clients in order that the organisation is able to provide the main body of its clientele with better value. However, public agencies are not likely to be able to take this route, even if they so wished. Indeed, the recent attempts by some privatised agencies in the UK to dump unwanted customers in this fashion has led to a public outcry and a tightening of the public service obligation in the regulatory framework. This is, of course, one of the central reasons why government cannot simply be run like a private business.

4. THE 'BPR CAPACITY' OF THE ORGANISATION

The promises of BPR attracted the attention of private sector managers as they tried to deal with global competition and ever higher customer expectations in respect of service, quality and value. However, only a few organisations to date can report success stories and achievement of dramatic improvements in performance after reengineering their business process - and even fewer can make these claims as a result of their first attempts (Caldwell, 1994; Champy, 1995; Hall et al., 1993). This does not seem to be because of any deficiency in the technical ability to carry out process analysis and to devise potential process improvements. Organisations generally report an enormous backlog of process improvements identified in BPR. What other factors are therefore neces-

- 'uninhibited problem solving' is also usually shackled in public sector organisations by the daunting set of regulatory and legislative constraints which they face from higher levels of government and by the insistence on 'hands-on' intervention in micro-management issues by their own elected governing bodies;
- processes identified as 'problematic' may be 'owned' by some stakeholders who are quite uninterested in any potential gain from process reengineering - this is again a hallmark of professionalised services and of highly unionised organisations, both of which are characteristic of the public sector.

The first critical difference between the introduction of BPR in the public and in the private sector is conceptualisation of value creation. In the private sector it is easier to reengineer the business process because it is easier to define what is meant by 'value' and which organisational functions or administrative processes contribute to it. In the public sector, however, it is not easy to define 'value' or 'quality' (Halachmi, 1995a; Halachmi and Bouckaert, 1995; Walsh, 1991).

Value in the public sector is certainly not the price of the service (many public services are exchanged at zero price to clients in high need), nor is it the cost of the inputs (although this is how the value of the public sector services is accounted for in the national income accounts). If we accept the view that 'value' is what is considered to be value by the stakeholder, i.e. what brings satisfaction to the stakeholder, then we are faced with the reality that value in the public sector must be multi-faceted and must encompass elements never to be found in private sector value analysis. On top of the use value experienced by the service end-users, we must add:

- 'spillover value' added — the value experienced by indirect service users;
- social value added — as a result of support for social cohesion policies or social justice interventions;
- political value added by virtue of the support for and enhancement of democratic processes (often more through the way the service planning and delivery are managed than through the content of the service itself).

Each of these value added calculations is not only difficult in itself, but also involves a different mix of stakeholders, each with their own perceptions. Managing the assessment of value added in process reengineering cannot therefore be simply a technical exercise in the public sector, it must always constitute a political debate.

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ecessary for organisations to succeed in reengineering? What do organisations that are successful in their BPR efforts have that others do not? Examining the answers to these questions is critical for any organisation contemplating BPR in either the public or the private sector.

A key factor influencing the results of a BPR initiative is the 'BPR capacity' — the ability of an organisation to undertake and survive such a radical initiative. We suggest that there are three elements of this BPR capacity, the presence of each of which constitutes a necessary condition for success in carrying out BPR. The first element is a proper understanding of the requirements and implications of the BPR process. A second element is the ability to operationalise and implement the results of a BPR analysis. Finally, there is a need for a shared willingness to face the cultural challenge to the organisation which is posed by BPR — this is considered in a later section.

First, organisations need a proper understanding of the requirements and implications of the BPR process — what the reengineering process is all about, as well as what it is not. For example, those involved in the reengineering effort must realise upfront that the changes resulting from the reengineering effort will not be achieved through a succession of marginal changes; they are intended to be transformational, not incremental. They will therefore involve significant pain to some stakeholders. The move from one performance curve to a higher one and the beginning of a new high-performance era involves what physicists term a 'big bang'.

In this insistence on rapid and radical change, BPR takes an extreme position along the spectrum of viewpoints on the appropriate pace of change in the corporate transformation process (Bovaird and Hughes, 1995). In recent years, much has been written about the relative merits of innovation, which involves a discontinuity with the past, as compared to continuous improvement, particularly in its Japanese guise of 'kaizen'. Some authors refuse to take sides in this debate: Peter Drucker, for example, has suggested that it is possible to trigger successful organisational change from any position on this spectrum, from continuous improvement through managed evolution to out-and-out innovation (Drucker, 1990).

Hammer and Champy (1993) are highly specific about the requisite rate of change. They insist that change through reengineering must be fundamental, radical and dramatic, an all-or-nothing proposition that cannot be carried out in small steps. Moreover, at the end of the book they suggest that reengineering should be done quickly (within twelve months from start of process to first implementation) and not be dragged out. Indeed, Hammer and Champy specifically rule out the 'kaizen' approach, since reengineering seeks breakthroughs, not steady incremental improvement (p. 49). There are significant differences between the public and the private sector when it comes to the applicability of this analysis. The insistence of Hammer and Champy on radical transformations within a period of twelve months is over-optimistic in the typical public sector context, where many stakeholders, both internal and external, can and usually do exercise restraining influences on the pace of change. Only if BPR can be implemented at a more leisurely pace is it likely to be relevant to the circumstances of public agencies.

The second condition for increasing the chance of success in BPR is that organisations need to have the ability to operationalise and implement the results of a BPR analysis; i.e., they need to be able to absorb into the everyday routines of organisational activity the conceptual framework which emerges from a BPR, depicting the preferable way for that organisation to do its business in the future. This has to be done consistently throughout the organisation, so that separate Strategic Business Units (SBUs) do not approach BPR and its implementation in contradictory ways. As Veasey (1994) has shown in the case of large diversified businesses such as Her Majesty's Stationery Office (HMSO) in the UK public sector, there can be a tendency for major change processes to undermine rather than enhance synergy. BPR must be part of an overall corporate approach which ensures that redesign of corporate processes is fully coordinated with that of SBU processes.

This second prerequisite of a successful BPR is closely related to the 'health' of the organisation before it undergoes the drastic treatment of reengineering. To use an analogy, a very sick person is less likely to survive a heart transplant. Thus, organisations at the peak of their performance are more likely to be able to move to a higher performance curve through a reengineering effort. Poorly performing organisations start off with intrinsic weaknesses — perhaps arising from lack of talent, resources or stakeholder support — and are therefore less likely to come up with the right ideas, the right people to carry them out or sufficient resources for underwriting the necessary reengineering effort.

In the private sector, excellent companies may use BPR to become even better, while weaker ones may take their chances at being born again, accepting that
they will die if unsuccessful. This is also true in the voluntary sector, where many staff are frustrated by current constraints and the built-in operational inefficiencies — they may feel that it is better to try for major improvement and to wind up the operation if this proves not to be possible. In the public sector, in contrast, it may well be that agencies which are performing well but which wish to improve their performance still further may not be permitted or encouraged to undertake a BPR initiative because of politicians’ belief that “if it ain’t broke — don’t fix it”. However, weak agencies which are less likely to be successful (from the perspective of their dominant stakeholders) are more likely to be permitted, or even pushed, by their stakeholders to take a chance of improving through BPR — and are likely to survive even after the effort fails.

5. THE CULTURAL CHALLENGE OF BPR

The most fundamental issue in relation to BPR capacity is, however, whether organisations can generate and survive the culture change which BPR requires. Hence, we must examine the role of organisational culture in the introduction of a change such as BPR (Tichy, 1983). Organisational culture is commonly referred to as the “values, beliefs, traditions, philosophies, rules and heroes shared by all members of the organisation” (Gatewood et al., 1995, p. 19). BPR requires the organisation to do away with everything it had in the past, including its previous culture, because the old culture is related to (indeed may partly be the reason for) the unsuccessful way the organisation previously conducted its affairs. Replacing the existing culture should be one of the stated goals of the BPR, a necessary condition for regarding the overall set of changes as a success — not merely an unintended side effect. In other words, the BPR plan is a real, not simply a subjectively perceived, threat to an important element of the organisation’s identity.

This raises the paradoxes that the impetus for change has arisen from that same culture, that a strong common culture can facilitate the change process, and that a change which does not threaten the existing organisational culture stands a better chance of being successful.

There are at least two questions to ask here. First, is it possible to effect a culture change in one organisation unless a commensurate change occurs within the other organisations on which that organisation depends for carrying out its mission? Clearly, the success of a BPR initiative in the case of a bank or an insurance agency is not dependent on corresponding changes in the organisational culture of the stock exchange where they get some of the resources they need, the agencies that regulate them or any other organisation in their industry. However, this is often not so in the public sector. For example, there may be a major dysfunction if the culture of a social care department is not synchronised with the culture of its local health authority. This is essentially to argue that the value chains of public agencies are often more closely enmeshed with each other than is the case in private sector services (Hewitt and Bovaird, 1996).

Secondly, could it be that the attempt in BPR to replace the organisational culture simultaneously with radical reorganisation is itself the reason that BPR is not successful most of the time (Champy, 1995; Hammer and Champy, 1993)? If BPR is to be successful, organisational actors at all levels must understand more than just the process of using BPR techniques to arrive at a better way of conducting the business of the organisation. It is just as important that all members of the organisation comply with three conditions:

- they must share a common understanding and acceptance of the ways the new business process will be embodied in activities at the individual and unit/subunit levels — this requires an organisational culture which is strong on communication and on intra-organisational synergy;
- they must share a commitment to the new expectations in respect of productivity, performance measures, and performance management practices (for individual employees and for their respective administrative units);
- they must share a consensus that it is acceptable to absorb the opportunity cost. That is to say, they must knowingly and willingly take the risk that if the BPR effort fails, after expending a large amount of tangible and nontangible resources, there may be adverse consequences for them at the individual and subunit level.

This last point relates to the flexibility and adaptability of the organisation. As Danny Miller (1992) has argued strongly, a strong organisational culture can easily lead to an organisation’s destruction rather than its success, unless that strong culture embodies a willingness and ability to be adaptable — it can represent a rut rather than a superhighway. Once BPR is accepted by the organisation, there is an assumption of periodic radical change. The mindset needed to go down this road is very different from that typically found in bureaucracy, whether in the public or the private sector.
Preparing the members of any organisation to cope with the aftermath of the BPR initiative is a must, and it is a formidable task. Doing it right can pre-empt some of the causes of low morale which might otherwise undermine the success of the BPR effort. All those involved in the BPR effort must understand that BPR can make a dramatic improvement in individual processes without necessarily bringing about immediately measurable changes in the overall performance of the organisation (Walsh, 1991). Real productivity improvement through BPR may come about only rather later, when everybody has become genuinely involved and is clear about what the organisation is trying to do and how it will go about it (Manganelli and Klein, 1994; Walker, 1995). This takes even longer in the public sector, where professionalism often sets departments (and even sections of departments) against each other, and where goal clarity is often missing because of the desire of top managers and politicians to maintain a certain discreet ambiguity about their fundamental intentions. This is further exacerbated in the public sector, where rising needs for many services (e.g. because of demographic change) mean that objectively measured indicators sometimes show a fall in key service outcomes, even though the organisation has, at least by all its internal criteria, undertaken significant performance-enhancing initiatives.

Given the likelihood of decreasing morale during at least the early stages of BPR, due to its implications of radical, continuing and disruptive change, it is necessary that part of the culture-building process under BPR involves inputs from those stakeholders whose interests are better served under the new regime — in particular, service users. Not only is their feedback needed in the technical redesign of service processes, but their enthusiasm for the perceived improvements is a prerequisite to convincing some of the other stakeholders that the uncomfortable changes involved are worthwhile.

6. MANAGING INTERNAL AND EXTERNAL STAKEHOLDERS IN A BPR INITIATIVE

The process of radical cultural change has different implications for internal and external stakeholders. The appropriate involvement of each stakeholder in the BPR initiative is one of the central tasks for top management in designing the BPR process.

The intention of BPR to be comprehensive means that all internal stakeholders of the organisation must play an active rather than a passive role in ongoing process design and improvement. This is likely to be more problematic in service organisations dominated by professionals. Professionals tend to believe they have a right to dictate certain ways of working because of their exclusive knowledge and accredited professional qualifications. They are often very reluctant to share the responsibility for process design with ‘non-professionals’ and are uninterested in fitting in with the needs of other staff in the organisation. The goal of ‘improved efficiency’ rarely seems sufficiently important to professionals to justify ‘tinkering with tried and tested professional procedures’. This problem is clearly not exclusive to public sector organisations, but they are much more likely to experience it, given their highly professionalised nature. BPR is unlikely to work if done to professional staff by other staff, rather than done by professionals for themselves and others. Bringing a sufficient group of professional staff to the point of readiness for a genuine BPR effort is both a major skills training challenge and a cultural revolution in itself.

External stakeholders may also pose more blockages to a BPR effort in the public sector than in the private sector. While in the case of private organisations stakeholder analysis can usually identify outside stakeholders whose consent, support or non-interference is necessary for the success of BPR, this is often more difficult for public agencies, since external stakeholders are often passive or quiescent until triggered by specific events or proposals. Also, in the private sector, ownership of any organisational process is likely to be within the organisation whereas clients and customers may have an interest only in the end results. This may well not be so in the public sector, where ‘outsiders’ may be the legal or de facto owners of any given process. When a process is ‘owned’ by more than one proprietor (e.g. assessments for social and health care in the community), or when self-anointed ‘owners’ of a specific process have little interest in the end result of the process (e.g. those units of a social care agency with an interest in providing residential care for the elderly, and those interest groups concerned with lobbying for improvements in the overall quality of life of the elderly), opposition to any prospect of change is very likely and ‘whistleblowers’ will be frequent. Some whistleblowers have the additional, even greater power of ‘shroud-waving’, which allows the creation of a strong blocking alliance between internal and external stakeholders, assisted by the media. Since the public sector is characterised by a larger number of ‘process-specific’ stakeholders, this suggests that there are greater chances to block BPR in the public sector than in the private sector.

In addition, there are often certain minimum stan-
dards of service continuity in the public sector which would not fetter a private provider. They may arise from expectations or legal rights of external stakeholders, or simply from commitments made by the agency. Private service providers, in introducing the changes arising from BPR, may select a time when any interference with the quality of the service may be reduced to a minimum, e.g. when most clients are on their annual vacation. In many cases private providers may arrange with other private providers to help out during the transition. In most cases service providers in the public sector do not have this option (Halachmi, 1995b). Thus, for example, the Disability Determination Service of the Social Security Administration (SSA) cannot ask its clients to wait with their new applications for benefit or to use the services of another provider while the agency upgrades its ability to provide services (Halachmi, 1995c). This is likely to increase the cost of any BPR effort in the public sector.

On the other hand, in the private sector only marginal deteriorations in the quality of service can be allowed during the transition period, since major disruptions of service may cause clients to seek the service elsewhere, or to give up the service altogether. This is not so in the case of many public agencies: being a monopoly supplier of essential services, they can afford to reduce service quality to just above the level that would start a riot. Indeed, the deterioration of the service may continue indefinitely, generating some of the savings the agency may attribute to the success of reengineering. This is unlikely to generate support of clients (or professional groups dealing with these clients) for such BPR initiatives.

The above discussion suggests the proposition that, because ‘ownership’ of processes in the private sector is internal to the organisation itself, it may be easier to get consent to change those processes and to prepare members of the organisation for the aftermath of the BPR initiative. In the public sector, ‘ownership’ is not only internal but also external: it often lies simultaneously within the agency, within government and outside government. Getting consent for change involves the building of a winning coalition — a task that may be too much for most public managers. Preparing ‘process owners’ who are outside the agency may be seen as requiring too many resources. If this causes the agency to cut corners on preparing external stakeholders for change, there may be subsequent unfortunate results in the aftermath of the BPR effort.

7. CONCLUSIONS

There are major differences between the case of reengineering in the public and private sectors, especially in respect of the core value generation process which underlies the reengineering effort and in the criteria used in deciding whether or not to launch a BPR initiative. The success of a reengineering effort may depend critically on the strategic capability of the organisation prior to undertaking the effort. Well-performing organisations, public or private, are more likely to survive BPR and to improve performance than weak ones. Yet, in the public sector, well-performing agencies may not be permitted to go through BPR, while those that have been subject to recent criticism are likely to be encouraged even if the effort fails to improve performance.

While the experience of BPR in the private sector is indeed of importance to the learning of managers in the public sector, managers in either sector should not expect the experiences of others to provide tailor-made solutions to their specific problems. Knowing and understanding the reasons for success or failure of BPR in the private sector can prepare public sector managers for undertaking the effort, but it cannot automatically indicate to them a preferred model for reengineering.

However, as more accounts of successful — and unsuccessful — cases of reengineering are documented, it may be possible to undertake the development of a generic model(s) of reengineering by sector. For the present, public sector managers should pay particular attention to the widest possible definition of ‘value’ when analysing value added in the process reengineering effort. In doing so, they will need to be especially sensitive to the way in which ‘value’ in the public sector is differently interpreted by the major stakeholders and the intensity with which stakeholders (both internal and external) identify with the processes whose radical redesign is intended. In the interim, they would be well advised to be conservative in estimating the gains from BPR.

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