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REINVENTION/REENGINEERING OF BUSINESS AND TECHNICAL PROCESSES

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INTRODUCTION

The changing marketplace as evidenced by global competition is requiring American organizations to rethink, regroup, and redesign their processes. The umbrella of total quality management (TQM) includes many quality methods, techniques, tools, and approaches. There is no right way for every situation or circumstance. Adaptability and experimentation of several tools is necessary. Process management when properly applied can lead to continuous quality improvements. But some processes simply need to be discarded and new ones developed. This reengineering often results in vertical compression and job redesign and restructuring. Work activities must be designed around processes, not processes around work activities. Reengineering and process management do not stand alone--they support each other. Senior executive leadership and empowerment of workers at all organizational levels is vital for both short-term and long-term success.

TOTAL QUALITY MANAGEMENT

Total quality management is a roadway with many stops along the way. These stops are in effect variations of many approaches, methods, techniques, and procedures now being used by organizations throughout the world. Japan has been at the forefront of quality for many years with tremendous success. The application of quality within the U.S. is fairly recent. And with the introduction of ISO 9000 by the European community, quality has gained new interest and converts. Total quality management (TQM) is often described in many ways. Regardless of the description it is a structured, systematic process geared towards meeting the customer's expectations in both quality and price. It is a means to an end, with the end being the long-term success of the organization.

Eighty-eight percent of executives believe that employee involvement is critical to the success in improving productivity, yet only 38 percent of workers indicate they are involved (empowered) and given the opportunity in decision making. Organizational improvement demands a shared perspective and involvement creates motivation which in turn creates innovation leading to improvements (Simmerman 1994, pp. 87-88). "An ineffective organization is like a wagon with square wheels" (Simmerman 1994, p. 87). Leaders must develop teams for only through team work does the organization improve.

Corporate leaders are making total quality management a part of the corporate American fabric. As of 1991, 93 percent of manufacturing companies and 69 percent of service companies have made quality management a strategic part of their operations

(Olian, Rynes 1991, p. 303). TQM is not just another tool or technique but a very powerful management system and philosophy. It realigns and thus recommits the organization's focus towards meeting its customers' demands. As a result, the organizational culture and often structure are changed to maintain this customer focus. Input and feedback from customers is essential for aligning the perceptions between them and management (Babbar 1992, p. 39).

Over the years, a number of variations or approaches of TQM have been developed by experts such as Demming, Crosby, Duran, and Joiner. These different approaches share certain characteristics which often include: (1) the primary objective of focusing on meeting customers' expectations in terms of both quality and price; (2) an absolute emphasis by top management is essential and required for TQM to be successful; (3) a vigorous emphasis on improving work processes with decisions being made based on verifiable data; (4) vertical deployment throughout the organization with a focus on ensuring that everyone is keenly aware of fundamental organizational objectives; (5) true empowerment of employees by eliminating barriers and obstacles so that they can fully focus on meeting customers' (both internal and external) expectations; and (6) creating a cultural environment where quality is recognized as the primary value with the further understanding that quality is a progressive process focusing on continuous [illegible] 54; Ehrenberg, & Stupak 1994, pp. 79-80).

PROCESS MANAGEMENT

Process management has become one of the most widely used TQM approaches. It focuses on the work processes considering both internal and external customers and suppliers. A process can be defined as those activities that add value applied to transform inputs into outputs, e.g., products and services. The transformation process should result in an output that has greater value than its input(s). This transformation process exists regardless of the type or nature of work and the environment,

REENGINEERING

Reengineering or rightsizing is a radical method of totally redesigning business processes. The technique requires management to take the building blocks of the organization, its basic functions, and restructure them in a way that will benefit the company as a whole. Companies such as AT&T, American Express, GTE, and PepsiCo have all successfully used this press to assist them in becoming major competitors within their business markets. Reengineering places enormous value on considering customer needs and in the ability of the "reengineered" firm to fulfill these needs. Unfortunately, often times reengineering does lead to some reduction in the organization's work force. However, the motivations behind these reductions are quite different compared to those of downsizing. By eliminating non-value added activities, or reducing the production process to the essential elements for completing the job, companies see a dramatic increase in productivity. Ultimately, the organization minimizes "unproductive overhead" and production inefficiencies which will result in a "fatter" bottom line or increased profits (Hammer 1994, p. 46). According to James Champy, chairman of CSC Consulting Group, "just moving [a company's] performance 10% or 20% won't do it [anymore]." For this reason, reengineering assists many companies in maintaining their competitive edge by reestablishing their market position.

Champy recommends that each organization answer three important questions to obtain optimum results from reengineering efforts.

communicating to employees and allowing them to participate in the redesign of the organization, they develop a "bond" or personal commitment to the organization.

CONCLUSIONS

Quality efforts must continue if organizations are going to adapt themselves to meeting customers' expectations in an ever changing global marketplace. Whether they employ some variation of process management or reengineering or some supportive combination thereof, the roadway will be littered with obstacles, failures, rewards, and successes. These obstacles, failures, rewards, and successes then become the pillars for integrating quality efforts into the organizational culture.

Strong and positive leadership by senior management is critical and essential to success. They must not only walk-the-talk but the vision of the future must be shared by all, management and employees. Total quality rests in total understanding of what the objectives are and why they are important to the organization. Without total understanding and commitment, change does not occur. Change must become the norm and ally, not something to be feared.

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