

## RE -ANALYSIS OF THE BUSINESS PROCESSES FOR IMPROVING ORGANIZATIONAL PERFORMANCE

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**Abstract.**In today's world, organizations have found that only incremental changes cannot address the current problems in organizations and sometimes to survive the necessary changes in the basic infrastructure are needed for the survival of organization, since it is one of the guidelines to enhance the efficiency and performance due to the changes. Re-Analysis of business processes in the organization move from function-oriented to process-centric, and accelerates business processes and reduces costs and as a result, causes more competitive organization. Staff members in process-driven organizations can be to take into account people with a combination of professional and entrepreneurship knowledge and as we know the main factor in improving productivity, is efficient human resources within the organization. Re-analysis of approach with process-centric view point, has changed the traditional management term and has brought the new perspective in the field of management and leadership.

**Key words:** Re-analysis processes, productivity, performance management, success and failure factors

## 1. INTRODUCTION

When we are asked to define processes to operate short re-analysis we will answer that “everything is a new beginning”. Re-analysis of processes does not seek to improve the current system and better results, but it means leaving the old ways and achieves lasting and fresh approaches. Companies must ask themselves with today’s extensive knowledge and in the possession of modern technology, if we wanted to set up a company, how would we do it? [Macintosh, Robert (2003)]. The difference between task and process is similar to the difference between the part and the whole, the task is a part of work, an activity that usually takes one person, in contrast group process is made up of interconnected tasks. For example, do an order is a process, activities that bring the product to the customer, this process will be made by various tasks like: receiving a request from the client, Insert it into the computer, customer credit check, check inventory or manufacturing, order picking and packing, transportation planning and delivery (land, sea, air) and at the end of the loading and shipping to customers. None of these tasks alone can create value for the customer. Carrying with no loading or packaging without choosing goods from the warehouse is impossible, or check customer credit itself is only a financial analysis. New organizational dullness which reduces the efficiency has process root. Some people are doing unnecessary tasks, and much time wasted in between tasks. Organizational heavy costs, do not suggests that perform independent tasks are costly, but it is because no one knows how separate tasks must be combined to achieve the desired result. To manage process-driven organizations there must be rethought in all areas: what employees are doing their jobs, the skills they need them, Methods of evaluating, staffs’ rewarding path of development, organizational structure, the role of managers and the main strategies of the organization [Scryabin, Andrey (1999)]. According to studies which have been done by writers such as Dean and Hottschalk

[Wells, Michael G. (2000)] and others, 70 to 85 percent of the projects implemented on the re-analysis process have failed, Because the methods and factors in its successful implementation have not been paying enough attention. Whereas if the re-analysis of process run and guided systematically and accurately, advantages such as lower operating costs, increase staff efficiency, customer satisfaction and ultimately increase organizational productivity can be expected [Wells, Michael G. (2000)]. This paper argues that organizational efficiency is based on the analysis of the drawing process.

## 2. HISTORY OF RE- ANALYSIS PROCESSES

Re-analysis of business processes is a business management approach that examined aspects of businesses and the interaction between them and attempts to improve the efficiency of key processes. Re-analysis of the process was introduced for the first time by Frederick Martin (2005) when he published his article called the principles of scientific management. After World War II the concept, was replaced with Total Quality Management by Dr. Deming and Joseph M. Juran, thus Japan became the world's economic superpower. Later, in the early 1990s, Michael Hammer and Knies presented their book “The analysis process” Who gave new life to re-analysis. Since then, this concept allocated better position among organizations to itself [4]. Although the analysis of business processes is called with other names such as process innovation, redesign of work processes, engineering, business, or engineering process, [Cao, Guangming; Clarke, Steve Lehaney, Brian (2001)] but all of these names refer to one theme and it is to create a fundamental change in work processes to achieve maximum effectiveness and efficiency [AlMashari, Majed; Irani, Zahir; Mohamed (2001)].

Table 1. Re-analysis definitions

Theorists	Definitions of Re-analysis process
Parker	Analysis and redesign of work processes that have no added value.
Gravrmalvtra	Major changes or at least dramatically
[Kyro, Paula (2003)]	Series of activities which create valuable results for clients

[Koch, Christian (2001)]	Any sequence of activities to achieve the predetermined and pre-defined range of objects
[Anderson, Karen; Mc Adam, Rodney (2004)]	Any change in behavior and culture of the people, processes and technology
[Ian, Martin; Yen, Cheung (2005)]	A set of logically related activity in order to achieve a certain result of work carried out.
[Ian, Martin; Yen, Cheung (2005)]	Methodological process to restore the fundamental business processes of information technology benefits and thereby achieves important goals
[Ian, Martin; Yen, Cheung (2005)]	Rethinking and radical redesign of operational processes and organizational structure which reaches to remarkable success based on important competencies in organizational performance.

Since this is a concept invented by Michael Hammer and James Champy, they can be defined as the following accepted criteria by the public: "Fundamental rethinking and new design processes to achieve a radical rise in crisis according to criteria such as quality, cost, service and speed" [Maull, R.; Tranfield, D.R.; Maull, W. (2003)].

### 3. FEATURES OF RE-ANALYSIS PROCESSES

In defining the Re-analysis process, we talked about the functional significance of it and the expanding role it has in today's modern world. In this step we distinguish a few examples of the benefits and features of process analysis.

#### 3.1. Business integration

The most fundamental common aspect found in Re-analysis process is the elimination of assembly line. Many jobs and specified tasks in the past are merged and became one. In all the organizations that they Re-analyzed the processes, separate responsibility of customer service gathered in a post and a determined authority is working.

#### 3.2. Employee-centered

Companies that have used the analysis process have used work processes not only horizontally but also vertically. In the structure of the company vertical density means that the company's employees, as in the past no longer have to look at the top of the pyramid for business task management. Now, the process of accessibility of work summarized to lower latency, lower cost, better and faster customer response and more capable employees in carrying out their responsibilities.

#### 3.3. The natural flow of process

Re-analysis process causes the natural process of progress, replaced the fake and proposed orders and this will cause moving several steps forward at the same time; also, the dead time between the end of one phase and the beginning of the next step will be removed.

#### 3.4. Logical referring

Re-analysis feature is working across organizational boundaries. In traditional organizations, professionals responsible for the organization's work, but in Re-analyzing the communication practice between processes and organizations will be completely transformed.

#### 3.5. Reduce the inspection and control

Instead of controlling the exact running tasks, Re-analysis processes addressed to the final inspection, and ignore minor issues. This system of inspection and control over the prevention of violations, helps to control the ultimate goal, with the surprising reducing of costs.

### 3.6. Reducing the differences

One of the advantages of Re-analysis is the reduction of the dispute resolution. In this process, calls and various documents received, reach from the outside to the lowest, and thus is the possibility of inflaming differences or confrontation is less.

### 3.7. The possibility of centralization and decentralization

Companies that have been taken to investigate the processes of the organization, have the ability of combining and at the same time benefiting from the advantages of centralization and decentralization in a process. Information technology has allowed the companies to operate completely independently as well as other organizations. However, having a computer database that contains all information in the enterprise also brings benefits of centralized organizations to the organization.

## **4. CHANGES CAUSED BY THE IMPLEMENTATION OF BUSINESS PROCESS REENGINEERING**

Fundamental and significant changes are made due to the implementation of business process reengineering (BPR):

### 4.1. Changes in work units, from executive sections to process groups

Most companies today use the principles which Adam Smith identified in the year 1776, regarding a pin factory. Smith argued that if certain groups of skilled workers are responsible for performing a certain stage of the operation, they will become more efficient, compared to when one worker goes through the whole process. When joined again, they are called process groups. In other words, process groups are units which are formed naturally in order to perform a complete task.

### 4.2. Changes in jobs, from simple task to multidimensional work

Those who work in process groups will see that their jobs are different from what they have been used to. BPR removes redundant tasks. Most tasks related to anticipation, conflict resolution, tracking, and

monitoring, i.e., those unproductive tasks which exist due to boundaries in the organization and for the compensation of the process division, are removed by BPR. That is, people spend more time doing real work. After BPR, work will become more satisfactory, because workers get a bigger feeling, which is completion and accomplishment.

### 4.3. Changes in roles, from monitored to in charge

Companies which use BPR do not want employees who can only abide to the rules, they want employees who can create their own rules.

### 4.4. Changes in work readiness, from training to formal education

If, under the influence of BPR, the work does not require people who will only abide to the rules, then the employees need enough education to be able to determine what is wrong and what is right. Training increases the skills and competencies of employees and teaches them how to do something. Education, on the other hand, enhances their discernment and teaches them why something works the way it does.

### 4.5. Changes in performance and wage criteria, from activity to the result of the activity

Determining employees' wages based on their position or experience is in contrast to the principles of business process reengineering (BPR); wages must be determined based on the results of their activities.

### 4.6. Changes in promotion criterion, from performance to ability

The conventional thought is that if an employee is a great chemist, then she can be a great manager for other chemists; these assumptions are often wrong and result in the company having incompetent managers.

### 4.7. Changes in management, from supervisor to mentor

Process groups consist of one to several people who do not need a supervisor; they need a mentor. Groups need advice from their mentors; mentors help groups to overcome obstacles.

### 4.8. Changes in the organizational structure, from hierarchical to flat

In companies which conduct BPR, organizational structure is not an important issue; work revolves around process and groups that do it. Employees

communicate with anyone they need; those who run the process are in control.

## **5. FOUR FACTORS ARE NECESSARY TO ENSURE THE SUCCESS OF A BUSINESS PROCESS REENGINEERING PROGRAM**

### 5.1. Feeling of pain cause from the status quo

The status quo must be painful, literally, in order to encourage the employees to move. Organizational BPR is like jumping off an oil platform into the sea; nobody is willing to do it, unless in an attempt to escape fire.

### 5.2. Benefits of these changes in the future

The predicted benefits of BPR must be clear in order to help the organization to have the necessary will and desire to move forward.

### 5.3. The leadership of the organization must feel a need to change

If the organization's leaders are not persuaded of the need for change, then they will not be able to seriously support the BPR scheme, and if the necessary support for change in the high levels of the company is not present in a radical way, then any program meant for implementation will face failure.

### 5.4. Inclusiveness throughout the entire organization

In order for BPR to yield the desired outcomes, it must become inclusive throughout the entire organization. Most organizations often elude from complete change, and only attempt to implement BPR in certain parts of the company. This type of activity is not logical because it is like redesigning a process through BPR techniques in business processes. BPR is not limited to redesigning the processes of an organization, rather it changes the mentality and thinking of the employees.

## **6. EFFICIENCY IMPROVEMENT AND THE ROLE OF BUSINESS PROCESS REENGINEERING**

Since BPR helps to improve the organization, its performance, and its efficiency, it can be implemented along with other approaches for organizational improvement, such as strategic planning, benchmarking, knowledge management, process mapping, total quality management, IT-based innovations, and performance management, in order to increase its effectiveness and influence. A

brief explanation of the relationship between BPR and these approaches is as follows:

### 6.1. Strategic planning

Due to uncertainty towards the future, every organization needs to devise a comprehensive and detailed plan of how to perform the processes. Strategic planning includes a process for devising organizational strategies to achieve organizational goals. Therefore, after understanding the status quo of the organization and seeing the obvious need to perform BPR, it is necessary to make plans in order to implement, control, and evaluate the BPR program. Strategic planning makes known the goals and the necessary infrastructures to implement BPR and how to perform and complete it.

### 6.2. Management of change

Without a doubt, human resources are of paramount importance in any organization. Therefore, any change must be made with the cooperation and collaboration of the organization's human resources. Given the fact BPR is essentially based on fundamental changes, if the organization's human resources are made aware of the benefits and outcomes of BPR and their roles and responsibilities in the program, and if the program's and the employees' paths are aligned, then, of course, the effectiveness and the efficiency of the program will increase. That is because if these changes are made without the presence and knowledge of the personnel, they are bound to resist against these sudden changes. The essentials of management of change are empowering the personnel, performance measurement, reward systems, education and training, communications, and organizational structure.[ Zucchi, Fabio; Edwards, Johns (1999);Almashari, Majed; Zairi, Mohamed (1999)]

### 6.3. Information technology

Using information technology (IT) helps the success of BPR. IT not only does provide organizational tools for effective communications and analyses, but also connects the management to a useful informational richness. . BPR projects can hardly be implemented without the physical use of information technologies such as the Internet, databases, etc., which leads to an integration among various activities in the work process. Generally, the organizational people and processes must tolerate and go through significant learning, adaptation, and growth in response to the presence of information technologies. Existing companies are in a constant competition to better fulfill the special needs of the customers and to

provide high-quality low-cost goods and services. This requires the use of IT in the organization's processes and products. .

#### 6.4. Benchmarking

The compulsory competition, globalization, and spread of modern information and communication technologies has forced organizations to constantly seek new structures and processes and adaptation with them in order to ensure their survival and success. Benchmarking has established itself as a tool for improving performance and competitiveness. Benchmarking is essentially related to the evaluation process, and using the best programs provides improvement to quality. Benchmarking is the first and the most important tool for improvement which is achieved through comparison with other organizations which are the most known and the best in the given area. Therefore, one of the ways for the successful implementation of BPR is using benchmarking in order to identify superior patterns and processes at organizational levels so as to save time and money for the learning of profitable activities and measures; the projects, actions, and achievements of other superior organizations must be a source of learning.

#### 6.5. Enterprise resource planning

This approach can be considered as an integrated software which has components and modules for planning, production, sales, marketing, distribution, accounting, enterprise resource management (ERP), project management, inventory management, etc. ERP is a type of modifiable and orderly information system which integrates intra-organizational information-based information and processes within and across organizational units. The architecture and structure of ERP is such that it provides integration and comprehensiveness of information throughout the organization and the smooth flow of information across various sections of the organization. Overall, through the integration and mechanization of processes and the timely provision of the necessary resources to perform the processes, the ERP system can contribute to the implementation of BPR.

#### 6.6. Knowledge management

Knowledge management (KM) is the examination of intellectual assets which refers to unique resources, major operations, and potential bottlenecks that are hindering the flow of knowledge. In fact, knowledge management includes activities which are based on the accumulation of knowledge from enterprise experiences and others' experiences about the

application of knowledge in order to complete and accomplish enterprise missions. The role of KM in organizations is to establish knowledge networks in order to piece together the knowledge and the expertise of the employees and synergizing their abilities, so as to strengthen and sustain the organization in a competitive context. Development and strengthening of knowledge in the organization effectively helps enriching the processes. On the other hand, BPR can change knowledge management and strengthen the capacity to create knowledge in a process. Therefore, BPR can be achieved through developing the capacity for knowledge creation in a process. In other words, KM in a process refers to special benefits and methods for the creation of an accurate understanding, accumulation, development, sharing, maintenance, and reusing of knowledge Shin, Namchul; Jemella, Donald F (2002);Wells, Michael G (2000)].

#### 6.7 Total quality management

Total quality management (TQM) is a management philosophy trying to optimize the use of available opportunities and resources in order to improve quality through the use of continuous improvement methods, with the customer being at the center. In fact, TQM is a set of guiding principles to show the foundations of continuous improvement in the organization and the application of quantitative methods and human resources for the continuous improvement of the organization. Staying ahead of customer needs is both for the present and the future. The components of TQM are: process-orientation, customer-focusing, and continuous improvement of processes and systems. In some studies, BPR is introduced as one of the TQM tools, but in others, BPR and TQM are considered as tools for improvement and change. In the latter definition, there are similarities between the two concepts, in that they are both oriented towards improvement and recreation of quality and work processes, and both seek customer satisfaction. These two concepts differ, however, on their operations. TQM seeks slow and steady changes, while BPR wants to make sudden fundamental changes towards improvement. Moreover, the time needed for the changes in either of these concepts is different. In other words, studying the work process using TQM shows which parts are in need of reformation and how and when these reformations can help the organization to respond to customer demands. When the need for improvement cannot be fulfilled with slow and steady changes, the the BPR program can be implemented. Based on the aforementioned similarities and differences, it is advised that these two concepts be implemented in parallel, because in

organizations that tried to implement TQM, progress have gradually slowed down or even stopped. That is, slow and steady changes have reached a dead end, and BPR is needed in order to move to the next phase of improvement.

#### 6.8. Process mapping

Process mapping consists of mapping a model which shows the relationships among activities, people, data, and existing components in yielding a given outcome[22]. Process mapping is a work flow diagram which provides a clearer picture of the processes or a set of parallel processes. Process mapping is considered by some as the most important and fundamental tool of BPR. According to a study in 2000 on 25 consultancy firms, it was found that during the process identification phase in BPR, process mapping models are extensively used[23].

### 7. CONCLUSION

Bidding farewell to organizational charts and shaking the hands of BPR does not mean entering the promised land. Despite their numerous advantages, process-oriented organizations pose new challenges. Lack of a constant form, of direct and clear command lines, and of clear individual and group responsibilities will make things harder for new organizations. Priorities and how to achieve them are different for different people. Even those who have common goals, do not take the same path to achieve those goals, and the chances of belief collisions in working teams are quite high. The interests of process owners might also collide for gaining access to valuable assets and experts. Moreover, employers and mentors might not agree on training and development programs. Employers are not willing to lose their experts in order to ensure the success of their processes. On the other hand, based on the long-term plans of the organization and future needs, mentors might be forced to send employees to special training programs for six months or even longer. Such inconsistencies and conflicts are also present in traditional organizations, but the superficial simplicity of the organizational chart does not let it show. These conflicts are identified in process-oriented organization, and this is for the interest of all the parties. Organizations choose various methods to face such conflicts, such as negotiation. In the above example, employers and mentors can negotiate in order to reach an agreement.

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