

Cranfield University

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**Understanding the achievement of radical process
orientation: an interpretive approach**

School of Management

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Professor Chris Edwards

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Abstract

The achievement of radical process orientation is vital to the strategic and operational integrity of organisations. However, organisations have a dismal record of implementing process orientation, especially when it involves radical organisational change. There is scant research to guide organisations through the design *and* implementation of radical process orientation. Hence, this research develops a model that provides insights into the achievement of radical process orientation.

The research uses the interpretive mode to examine the achievement of radical process orientation in two organisations. Therefore, the views of people directly involved with the changes are important. A transparent trail of evidence is established between the data and the theory developed from the data. These cases provide rich data from which to build a model for the achievement of radical process orientation.

The model suggests the need for radical process orientation be consciously established and tentative criteria for doing so are provided. The model focuses attention upon the nature and content of the changes that need to occur, especially the realignment of organisational elements, such as strategy, structure and information systems, to a function and process orientation. It proposes 'buy-in' from people be considered in relation to their acceptance of the changes that actually need to occur and the changes they are willing to allow to affect them. The model suggests that radical and evolutionary modes be utilised to operationalise the issues that bring about the changes, and that people be willing to implement these issues. It proposes that the roles of people that are responsible for implementing the changes and people affected by the changes are reciprocal.

This research challenges conventional thinking about the achievement of radical process orientation, and provides fresh insights for the achievement of radical process orientation.

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My foremost thanks are reserved for Radhika and Anazia, without whose support this work would not have been completed. They afforded me something that I can never fully repay: time. I would also like to thank my parents for raising me with the belief that I should only stop learning when I am dead. It will be an unceasing sadness that my father did not live to see me reach this milestone in my life.

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Last but by no means least, my thanks go to the organisations and people that provided me with the data I needed. It is unfortunate that I cannot thank each one personally, by name, due to confidentiality agreements entered into with the organisations.

*Constant development
is the law of life,
and a man who always tries
to maintain his dogmas
in order to appear
consistent drives himself
into a false position*

Gandhi, 1928

(from Quotes of Gandhi, 1984
compiled by Shalu Bhalla)

Table of Contents

| | |
|---|------------|
| ABSTRACT | |
| ACKNOWLEDGEMENTS | |
| CHAPTER 1 SETTING DIRECTION | 1 |
| 1.1 CHAPTER INTRODUCTION..... | 1 |
| 1.2 INTRODUCTION | 2 |
| 1.3 CLARIFYING CONCEPTS..... | 5 |
| 1.4 DISTINGUISHING RADICAL PROCESS ORIENTATION FROM OTHER RADICAL INITIATIVES..... | 12 |
| 1.5 STRUCTURE OF THIS THESIS | 18 |
| 1.6 CHAPTER SUMMARY | 20 |
| CHAPTER 2 A CRITICAL REVIEW OF RESEARCH LITERATURE IN BUSINESS PROCESS ORIENTATION AND RADICAL ORGANISATIONAL CHANGE | 23 |
| 2.1 INTRODUCTION | 23 |
| 2.2 THE CONCEPTUAL PARADIGMS TO CLASSIFY THE LITERATURE | 24 |
| 2.3 CLASSIFYING CURRENT RESEARCH IN RADICAL PROCESS ORIENTATION AND RADICAL ORGANISATIONAL CHANGE | 26 |
| 2.4 LOCATING THIS RESEARCH IN BURRELL AND MORGAN’S PARADIGMS..... | 41 |
| 2.5 A REVIEW OF THE BUSINESS PROCESS ORIENTATION LITERATURE TO IDENTIFY CONCEPTUAL CATEGORIES..... | 43 |
| 2.6 AN INITIAL CONCEPTUAL MODEL FOR THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION.... | 58 |
| 2.7 FRAMING THIS STUDY’S RESEARCH OBJECTIVE AND QUESTION | 62 |
| 2.8 CHAPTER SUMMARY | 63 |
| CHAPTER 3 RESEARCH METHODOLOGY: DESIGN AND IMPLEMENTATION | 66 |
| 3.1 CHAPTER INTRODUCTION..... | 66 |
| 3.2 RESEARCH DESIGN | 67 |
| 3.3 OPERATIONALISING THE CASE STUDY DESIGN | 84 |
| 3.4 METHODOLOGICAL AND THEORETICAL FINDINGS FROM THE PILOT STUDY | 95 |
| 3.5 CHAPTER SUMMARY | 97 |
| CHAPTER 4 INTERPRETING THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION IN FINANCIAL DATA LIMITED | 99 |
| 4.1 CHAPTER INTRODUCTION..... | 99 |
| 4.2 BACKGROUND INFORMATION | 100 |
| 4.3 COMMENCEMENT | 101 |
| 4.4 CHANGES THAT OCCURRED | 104 |
| 4.5 ISSUES MANAGED..... | 105 |
| 4.6 EFFECTS OF RADICAL PROCESS ORIENTATION | 107 |
| 4.7 CLASSIFYING THE SECOND ORDER CONSTRUCTS..... | 109 |
| 4.8 SYNTHESISING THE SECOND ORDER CONSTRUCTS FOR EACH CONCEPTUAL CATEGORY: CASE CONCLUSIONS | 113 |
| 4.9 ASSESSMENT OF THE PILOT ON THE CASE STUDY DESIGN..... | 116 |
| 4.10 CHAPTER SUMMARY | 119 |
| CHAPTER 5 INTERPRETING THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION IN CARTON CARRIER LIMITED | 120 |
| 5.1 CHAPTER INTRODUCTION..... | 120 |
| 5.2 BACKGROUND INFORMATION | 120 |
| 5.3 COMMENCEMENT | 121 |
| 5.4 CHANGES THAT OCCURRED | 124 |
| 5.5 ISSUES MANAGED..... | 125 |

| | | |
|---|---|------------|
| 5.6 | EFFECTS OF RADICAL PROCESS ORIENTATION | 126 |
| 5.7 | CLASSIFYING THE SECOND ORDER CONSTRUCTS..... | 128 |
| 5.8 | SYNTHESISING THE SECOND ORDER CONSTRUCTS FOR EACH CONCEPTUAL CATEGORY | 132 |
| 5.9 | CHAPTER SUMMARY | 135 |
| CHAPTER 6 INTERPRETING THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION IN FOUNDRY INSURANCE LIMITED..... | | 136 |
| 6.1 | CHAPTER INTRODUCTION | 136 |
| 6.2 | BACKGROUND INFORMATION | 136 |
| 6.3 | COMMENCEMENT | 137 |
| 6.4 | CHANGES THAT OCCURRED | 140 |
| 6.5 | ISSUES MANAGED..... | 141 |
| 6.6 | EFFECTS OF RADICAL PROCESS ORIENTATION | 142 |
| 6.7 | CLASSIFYING THE SECOND ORDER CONSTRUCTS..... | 143 |
| 6.8 | SYNTHESISING THE SECOND ORDER CONSTRUCTS FOR EACH CONCEPTUAL CATEGORY: CASE CONCLUSIONS | 147 |
| 6.9 | CHAPTER SUMMARY | 150 |
| CHAPTER 7 SYNTHESIS: CONSTRUCTING THEORETICAL PROPOSITIONS AND AN EMERGENT CONCEPTUAL MODEL FOR THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION | | 151 |
| 7.1 | CHAPTER INTRODUCTION..... | 151 |
| 7.2 | A REMINDER OF THE INITIAL CONCEPTUAL MODEL..... | 152 |
| 7.3 | INTERPRETATION: CONSTRUCTING THEORETICAL PROPOSITIONS..... | 153 |
| 7.4 | SYNTHESIS: AN EMERGENT MODEL FOR THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION | 193 |
| 7.5 | STRUCTURAL REFINEMENTS MADE TO THE INITIAL CONCEPTUAL MODEL TO FORM THE EMERGENT MODEL | 198 |
| 7.6 | CHAPTER SUMMARY | 198 |
| CHAPTER 8 CONCLUDING REMARKS | | 201 |
| 8.1 | CHAPTER INTRODUCTION..... | 201 |
| 8.2 | SUMMARISING THE ARGUMENTS THAT LEAD TO THE EMERGENT MODEL | 201 |
| 8.3 | THE CONTRIBUTION OF THIS THESIS | 205 |
| 8.4 | LIMITATIONS OF THIS RESEARCH | 213 |
| 8.5 | AREAS FOR FURTHER RESEARCH STUDIES | 214 |
| 8.6 | IMPLICATIONS FOR PRACTITIONERS | 216 |
| 8.7 | CLOSING REMARKS | 217 |
| THE ROAD NOT TAKEN..... | | 219 |
| GLOSSARY | | 220 |
| REFERENCES | | 221 |

APPENDICES

APPENDIX 1: SCHEDULE OF INTERVIEW DATES..... 2

APPENDIX 2: INTERVIEW SCHEDULE 4

APPENDIX 3 EXTRACT FROM AN INTERVIEW SHOWING THE IDENTIFICATION OF THEMES 5

APPENDIX 4 FINANCIAL DATA: FIRST ORDER CONSTRUCTS, INTERPRETATION AND SECOND ORDER CONSTRUCTS..... 6

APPENDIX 5 CARTON CARRIERS: FIRST ORDER CONSTRUCTS, INTERPRETATION AND SECOND ORDER CONSTRUCTS 69

APPENDIX 6 FOUNDRY INSURANCE: FIRST ORDER CONSTRUCTS, INTERPRETATION AND SECOND ORDER CONSTRUCTS 140

APPENDIX 7 - USING THE EMERGENT MODEL TO ANALYSE TWO PUBLISHED CASES 208

List of Figures

| | |
|--|-----|
| FIGURE 1.1: ACHIEVEMENT AND BUSINESS PROCESS: CONCEPTUAL CONSTITUENTS OF PROCESS ORIENTATION | 9 |
| FIGURE 1.2: THE CONCEPTS AND CENTRAL FOCUS OF THIS STUDY | 11 |
| FIGURE 1.3: OVERVIEW OF THIS THESIS | 22 |
| FIGURE 2.1: AN INITIAL CONCEPTUAL MODEL FOR THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION BASED UPON THE LITERATURE | 61 |
| FIGURE 3.1: FROM LAY DESCRIPTIONS TO THEORETICAL PROPOSITIONS: A VISIBLE TRAIL OF EVIDENCE... .. | 82 |
| FIGURE 7.1: AN EMERGENT CONCEPTUAL MODEL FOR THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION CONSTRUCTED FROM EMPIRICAL DATA | 196 |
| IN APPENDICES | |
| FIGURE A: SYSTEMS CONFIGURATION PRIOR TO THE INSPECTION PROCESS | 194 |
| FIGURE B: SYSTEMS CONFIGURATION TO SUPPORT THE INSPECTION PROCESS | 195 |

List of Tables

| | |
|--|-----|
| TABLE 1.1: SUMMARY OF DISTINGUISHING FEATURES BETWEEN RADICAL PROCESS ORIENTATION AND RESTRUCTURING, REORGANISATIONS, DOWNSIZING, AND RENEWAL..... | 17 |
| TABLE 2.1: CONTENT OF CHANGES THAT OCCUR DURING A RADICAL PROCESS ORIENTATION INITIATIVE .. | 47 |
| TABLE 2.2: A SUMMARY OF THE CONCEPTUAL CATEGORIES AND THE CONCEPTUAL BINS DERIVED FROM THE CATEGORIES | 64 |
| TABLE 3.1: COMPLIANCE WITH THEORETICAL CRITERIA - BUSINESS PROCESS ORIENTATION | 86 |
| TABLE 3.2: SATISFYING THEORETICAL CRITERIA FOR RADICAL ORGANISATIONAL CHANGE | 89 |
| TABLE 3.3: SUMMARY OF THE PEOPLE, DIRECTLY INVOLVED IN THE ACHIEVEMENT OF RADICAL PROCESS ORIENTATION, THAT WERE INTERVIEWED..... | 93 |
| TABLE 7.1: SUMMARY OF THE THEORETICAL PROPOSITIONS DEVELOPED FROM CASE EVIDENCE..... | 199 |

IN APPENDICES

| | |
|---|-----|
| TABLE A: SOURCE: EXTRACTED FROM THE DELIVERY MANAGEMENT SYSTEM HANDBOOK | 111 |
| TABLE B: ANNUAL PROFIT / LOSS FIGURES FOR FOUNDRY INSURANCE | 141 |
| TABLE C: FINANCIAL PERFORMANCE OF THE ORGANISATION 1989 - 1994 | 204 |

Chapter 1 Setting direction

1.1 Chapter introduction

This research is concerned with understanding the achievement of radical process orientation. The concepts identified in this chapter and deployed in subsequent chapters are directed towards constructing a model to aid the understanding of the achievement of radical process orientation. As the starting point of this research, this chapter introduces business process orientation¹ as the broad subject matter of this research. It outlines the research terrain and defines concepts, within that terrain, which frame this research's central focus. A corollary of defining the terrain is to identify areas that are excluded from this research; these are also identified in this chapter. Consequently, characteristics that distinguish radical process orientation from other radical change initiatives excluded from this research are discussed. Finally, the thesis's structure is presented with a brief description of subsequent chapters.

This chapter is presented in six sections. The section that follows introduces this work. The third section outlines the research terrain and clarifies concepts central to this research as well as areas to be excluded. Next, radical process orientation is distinguished from four radical change initiatives outside the scope of this work. The penultimate section explores the structure of this thesis. The chapter is summarised in the final section, which also sets the scene for Chapter 2.

¹ Business Process Orientation encompasses terms such as Business Process Redesign, Business Process Reengineering, Business Process Re-engineering, Process Management, and Process Innovation.

1.2 Introduction

One of the most common ways of representing an organisation, on paper, is to draw its structure chart. This typically has the chief executive at the head of the organisation with functional directors in control of their own vertical areas. The principles for managing the functional structure were formalised at the beginning of the 20th century. These principles have been developed in waves over this century. Each wave attempted to assist managers to take decisions to allocate resources, determine responsibilities, and establish appropriate levels of control and authority within each function.

More recently, business process orientation focused management's attention on the need to identify and manage business processes that cut horizontally across functional boundaries. In the past, managing business processes received scant attention (Ghoshal and Bartlett, 1995). Then, exemplar organisations that had implemented business process orientation were identified and held out as models for others to follow (Hammer, 1990; Venkatraman, 1991). Business process orientation was shown to deliver significant performance improvements (Hall et al. 1994). For example, business processes were identified as being the basis for sustainable competitive advantage (Stalk et al. 1992). A major role for senior managers involves managing processes (Robey et al. 1995). Business processes orientation was shown to be important to integrating information systems across functions (Teng et al. 1994b).

Many organisations attempted to implement business process orientation expecting to achieve significant performance improvements, and reports indicate that many failed to achieve the expected improvements (Davenport and Stoddard, 1994). One of the main reasons for this failure is that organisations begin radical process orientation initiatives with the intention of making fundamental organisational changes to achieve large-scale improvements; however because these fundamental changes are implemented partially, significant performance improvements from business process orientation are not realised (Currie and Willcocks, 1996). The ramifications of not implementing

business process orientation and, as a result, not achieving the anticipated large-scale performance improvements can have adverse affects upon people involved with radical process orientation and organisations.

The consequences, for people in organisations, of not achieving the promised performance improvements from business process orientation are diverse. The people responsible for implementing business process orientation, usually senior line managers, face conflict with those hostile to fundamental organisational changes; or they are blamed for failure to secure benefits from process orientation; or they become alienated from their work colleagues; or they lose their line role altogether (Kennedy, 1994; Willmott, 1994). The consequences for people affected by business process orientation are their expectation, that the organisation's performance will improve, is not met, or increased cynicism about management's ability and willingness to 'really' achieve fundamental change, or being castigated publicly as a resistor to innovative ideas (Grint, 1994). These consequences can adversely affect people's careers.

For organisations, the main consequences of not implementing business process orientation are continued decline in performance or failure to grasp and exploit opportunities (Cardarelli et al. 1998). Organisations also lose time spent on business process orientation, which could have been utilised to address competitive and financial pressures in other ways. Organisations also waste resources, as business process orientation requires funding in terms of people's time and external consultancy input.

Each wave of change contains substantive elements. At the heart of business process orientation lies 'business processes'. The arguments that suggest the importance of business processes are irresistible. One, the functional organisation, consisting of a board of directors, with each director responsible of an area of specialisation is still widely prevalent in organisations. Yet a single function on its own can rarely deliver the organisation's products and services to customers. Hence, managing business processes is an essential prerequisite for delivering products and services to customers.

Two, the inexorable need to innovate and exploit opportunities requires organisations to manage business processes (Ghoshal and Bartlett, 1995). However, product innovations can be mimicked easily by competitors (Tushman and Nadler, 1986). Business processes have been identified as a central feature of developing sustainable competitive advantage that is difficult to imitate (Hamel and Prahalad, 1994; Stalk et al. 1992).

Three, there is growing pressure on organisations to introduce information systems that support cross functional working by being aligned to business processes. This has led organisations to implement enterprise wide systems (Hirt and Swanson, 1999). A prior understanding of the organisation's business processes is considered essential to the effective implementation of such systems (Ross, 1999).

Four, current theory suggests that knowledge resides at several levels. These include the public domain (Leonard-Barton, 1995), industry (Leonard-Barton, 1995), organisation (Teece, 1998), a function in the organisation (Davenport and Klahr, 1998), group or team (Leonard and Sensiper, 1998), and individuals (Fahey and Prusak, 1998). Business processes form a further level at which managers can manage knowledge (Braganza et al. 1999).

Five, as long as organisations have a functional structure, there will be a need to implement business processes that integrate activities in the functions. The underlying reason for this is activities, and hence the people and systems that perform the activities, are controlled by functional directors. Mismatches in the timing, prioritisation, or information flows between activities have negative consequences upon customer service and, ultimately, profitability. Hence, the co-ordination and integration of activities is key to organisational continuity.

Therefore, this research argues that business process orientation is of enduring importance to organisations from a number of perspectives. Business process orientation has implications for the implementation of the organisation's strategy, the development of cross functionally integrated information systems, improvements in customer service levels and, over time, the organisation's capability to sustain its competitive position. Organisations spend significant amounts of funds to implement business process orientation. One organisation

is reported to have invested £100 million in new information technology alone to support business process orientation (Currie and Willcocks, 1996). However, these and other researchers suggest that organisations have realised benefits that fall short of expectations due to management's insufficient understanding of the organisational changes (Hall et al. 1994; Sayer, 1998). This research aims to develop a model that will make organisational changes apparent to managers. Business process orientation is conceived as radical change. However, organisations' record of poor implementation of radical changes suggests current understanding of the achievement of radical process oriented change merits investigation (Kallio et al. 1999). Furthermore, as revealed in the literature review later in this thesis, little credible research has been carried out into achieving a process orientation. Business process orientation has been studied from several different perspectives including factors affecting adoption of business process orientation (Newell et al. 1998); behaviour (Zaidifard, 1998); politics (Sayer, 1998) and IT (Broadbent et al. 1999). Each study has tended to emphasise mutually exclusive assumptions and research foci. This is exemplified by Broadbent et al.'s study, which examines the implementation of IT infrastructure in relation to business process orientation (Broadbent et al. 1999) but does not examine change management issues. This research takes an integrative approach to weave together the changes and issues to be managed in order to achieve radical process orientation. Thus, this research is concerned with gaining greater understanding and practical insights into the achievement of business process orientation.

1.3 Clarifying concepts

1.3.1 Outlining the terrain of this research

Business process orientation provides researchers with a number of possible areas for research. Several researchers have studied the initiation of business process orientation; many others have examined business process orientation that is radical during its initiation phase and adaptive during its

implementation phase. However, scant research attention has been given to penetrating and examining business process orientation that is radical during its initiation AND implementation phases. Thus, the terrain of this research is business process orientation that culminates in a radical organisational change. Consequently, two concepts frame this research, specifically, process orientation and radical organisational change. The conjunction of these two concepts forms the central focus of this research, namely, radical process orientation. Accordingly, the concepts of process orientation, radical organisational change, and radical process orientation are explained.

1.3.2 Process orientation

All organisations with a functional structure have business processes embedded within them. These intrinsic processes have been developed, over time, on a piece-meal basis. Recently, some organisations have adopted process orientation because it offers an holistic and radical approach to creating and implementing designed processes. Hence, process orientation, for the purposes of this research, is conceptualised as the achievement² of a business process. Two key terms are conjoined to form this conceptualisation namely, achievement and business process. These terms are defined more precisely below and are summarised in Figure 1.1.

1.3.2 (i) Achievement

For the purposes of this study, achievement refers to the initiation and implementation phases (Beckhard and Harris, 1987; Lewin, 1947) that effect a business process in an organisation, and the related consequences that arise from implementation. The ‘initiation phase’ involves organisations examining the reasons for the changes with reference to the external and internal environment (Ascari et al. 1995). During the ‘implementation phase’ organisations identify the changes they intend to make and take steps to accomplish the changes

² The term ‘achievement’ does not refer to the outputs from the business process.

(Kettinger et al. 1997). The ‘related consequences’ are the outcomes that emerge once the organisation has implemented process orientation (Motwani et al. 1998).

1.3.2 (ii) Business process

A business process³ is a collection of activities that transforms inputs to create an output that is valued by the customer (Hammer and Champy, 1993). Edwards broadens their perspective of the business process by arguing that a business process arises from the organisation’s need to satisfy its stakeholders (Edwards, 1994). Stakeholders are external (e.g. customers, suppliers, shareholders) or internal (e.g. managers, employees) entities that affect the organisation’s future success. Edwards’s perspective of the business process goes beyond conventional definitions found in the process orientation literature, as the purpose of the business process, namely ‘why an organisation does certain activities’ is explicit (Prokesch, 1997). Davies (1991) and Euske and Player (1996) point out that the activities that constitute the business process are performed in different functions in the organisation. However, other researchers such as (Atkinson et al. (1997) and (Ettlie and Reza, (1992) consider a business process to be within one function. Specifically, Ettlie and Reza (1992) studied the adoption of technology to provide support within the ‘manufacturing process’. Atkinson et al. (1997) assert that organisations should change the way they measure their ‘processes’, which are identified as separate functions such as manufacturing, logistics, personnel, and customer services.

Yet other researchers, for example, Kettinger et al. (1996), drawing on the work of Davenport (1993), assert that “a business process can be conceptualised as operating within a traditional function ... or span different functions” (Kettinger et al. 1996 p. 29). The critical flaw at the heart of their conceptualisation is that every activity in the organisation can be called a

3 The term ‘process’ appears in many contexts: for example, human processes and communication processes (Schein, 1969); manufacturing processes (Kotter, 1978); a model of the strategic management process (Johnson and Scholes, 1993); and team working (Denison et al. 1996). Throughout this research, the term ‘process’ refers to ‘business process’ unless otherwise stated.

business process (Craig and Yetton, 1993). This flaw is evident in the work of Stoddard and Jarvenpaa (1995). Their study contains a contradiction between their use of the term ‘business process’ and the organisations included in their research. Stoddard and Jarvenpaa adhere to the view that business processes span functional boundaries, yet their study includes an organisation that redesigned functional activities: “the scope was limited to the purchasing department” (Stoddard and Jarvenpaa, 1995 p. 90). For the purposes of this research, the redesign of activities, i.e. the tasks and procedures performed by people or systems, within a single function are excluded from the scope of this research (Brynjolfsson et al. 1997; Jarillo, 1993).

This research treats the term ‘business process’ to mean activities that are integrated, across different functions, to create outputs that are of value to one or more stakeholder (Crowston, 1997; Edwards and Peppard, 1997; Grover et al. 1995; Hammer and Champy, 1993). This conceptualisation enables a business process to be specified with reference to three characteristics: the creation of valued outputs, a set of integrated activities, and these activities are located in different functions. Having defined the terms namely, achievement and business process, Figure 1.1 below summarises process orientation for the purposes of this work.

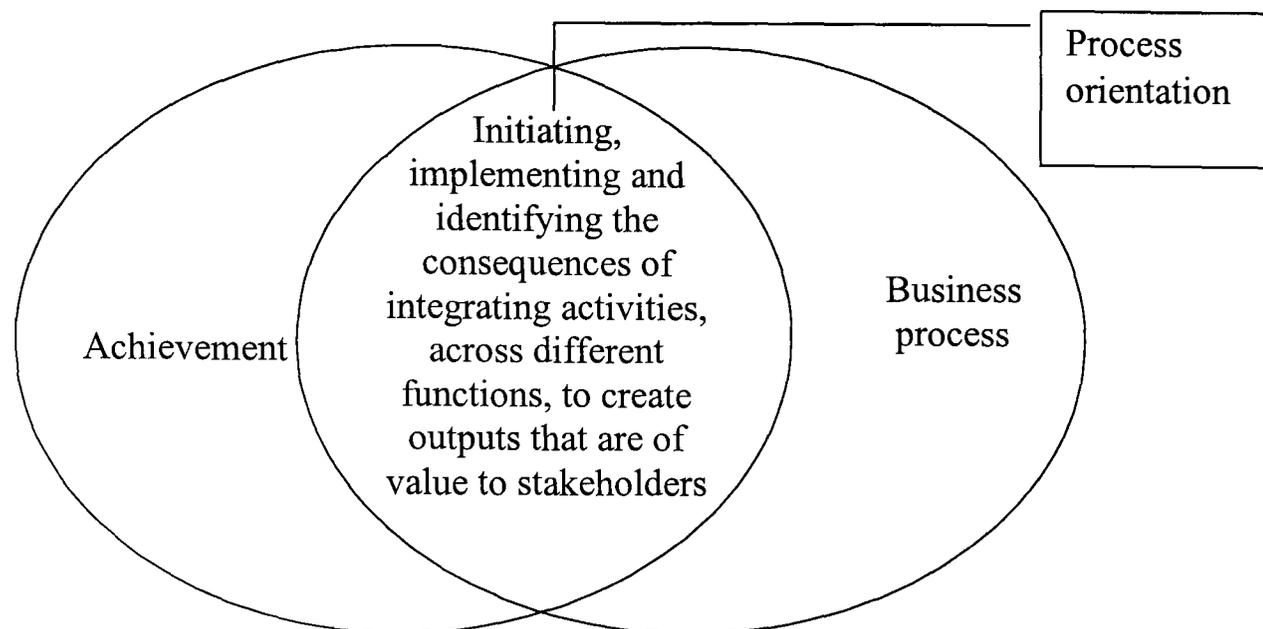


Figure 1.1: Achievement and business process: conceptual constituents of process orientation

1.3.3 Radical organisational change

Meyer et al. (1995), based upon an extensive review of the organisational change literature and a longitudinal field study of thirty organisations argue that theories of organisational change can be classified as adaptive or radical. Adaptive change leaves the essence of the organisation intact. This type of change is also labelled as fine-tuning, evolutionary or convergent changes to elements of the organisation over long intervals (Tushman and Romanelli, 1985). According to Greenwood and Hinings (1996), Pettigrew's work (1985) reflects continuity and evolutionary change. This research is not concerned with adaptive organisational change.

Radical change fundamentally alters elements such as the organisation's strategy, structure, and systems (Greenwood and Hinings, 1996; Tushman et al. 1986; Tushman and O'Reilly III, 1996; Van de Ven and Poole, 1995). Radical change is characterised by a reversal in traditional strategies and practices (Miller, 1982). Some theorists characterise radical change as the emergence of a new model of the organisation, (Levy, 1986; Smith, 1982) supported by new practices with which to achieve the organisation's strategy (Laughlin, 1991). The implementation of radical change involves transforming the prevailing

status quo and this requires changes to several organisational elements (Miller and Friesen, 1980; Hammer and Champy, 1993). According to Gersick (1991) during the implementation of radical change people in the organisation experience wholesale upheaval. She explains the difference between adaptive and radical changes in the following way:

“The difference between the (adaptive) changes of equilibrium periods and (radical) changes is like the difference between changing the game of basketball by moving the hoops higher and changing it by taking the hoops away. The first kind of change leaves the game’s deep structure intact. The second dismantles it.” (Gersick, 1991, p. 19)

This research draws on these perspectives to characterise radical organisational change as changes that are made to elements of an organisation that leads to the transformation *of* the organisation as opposed to an adaptive change *in* the organisation.

1.3.4 Radical process orientation

A characteristic of process orientation is that it is radical in nature (Hammer and Champy, 1993; Kettinger et al. 1996), involving significant changes to several organisational elements (Anon., 1994; Grover et al. 1993; Hall et al. 1994; Tapscott and Caston, 1993). However, a number of researchers use the same term, i.e. ‘process orientation’ to encompass adaptive, process-related, organisational changes (Currie and Willcocks, 1996; Harrington, 1991). Typically these researchers describe organisations that, in the initiation phase, plan to implement radical changes and during the implementation phase actually implement adaptive changes (Davenport and Stoddard, 1994; Currie and Willcocks, 1996; Stoddard et al. 1996).

The need for clarity is at its greatest when the same term - process orientation - is used to denote fundamentally different concepts⁴. Drawing on radical change theory and the business process orientation literature, this

⁴ This need for clarity is not unique to the field of process orientation. Researchers, in other fields, recognise the lack of clarity surrounding the use of terms such as total quality management (Grant et al. 1994; Imai, 1986; Osterman, 1994; Savage, 1991), and culture (Johnson and Scholes, 1993; Meyerson and Martin, 1987).

research distinguishes process orientation into two types: radical process orientation and adaptive process orientation. Adaptive process orientation is where organisations initiate or implement minor changes to organisational elements, leaving deeper aspects (Gersick, 1991) of the organisation intact (Harrington, 1991; Meyer et al. 1995; Tushman et al. 1986). For the purposes of this research, process orientation which is radical in the initiation phase but culminates in an adaptive change, and process orientation that is adaptive in the initiation phase but culminates in a radical change are excluded from this research.

For the purposes of this research, radical process orientation is conceptualised to be the achievement of a business process that culminates in a transformation of the organisation. This research is concerned with radical process orientation initiatives, which in the initiation phase are radical and in the implementation phase significantly change organisational elements, leading to the transformation of the organisation. Figure 1.2 summarises this research's key concepts and their conjunction indicates its central focus.

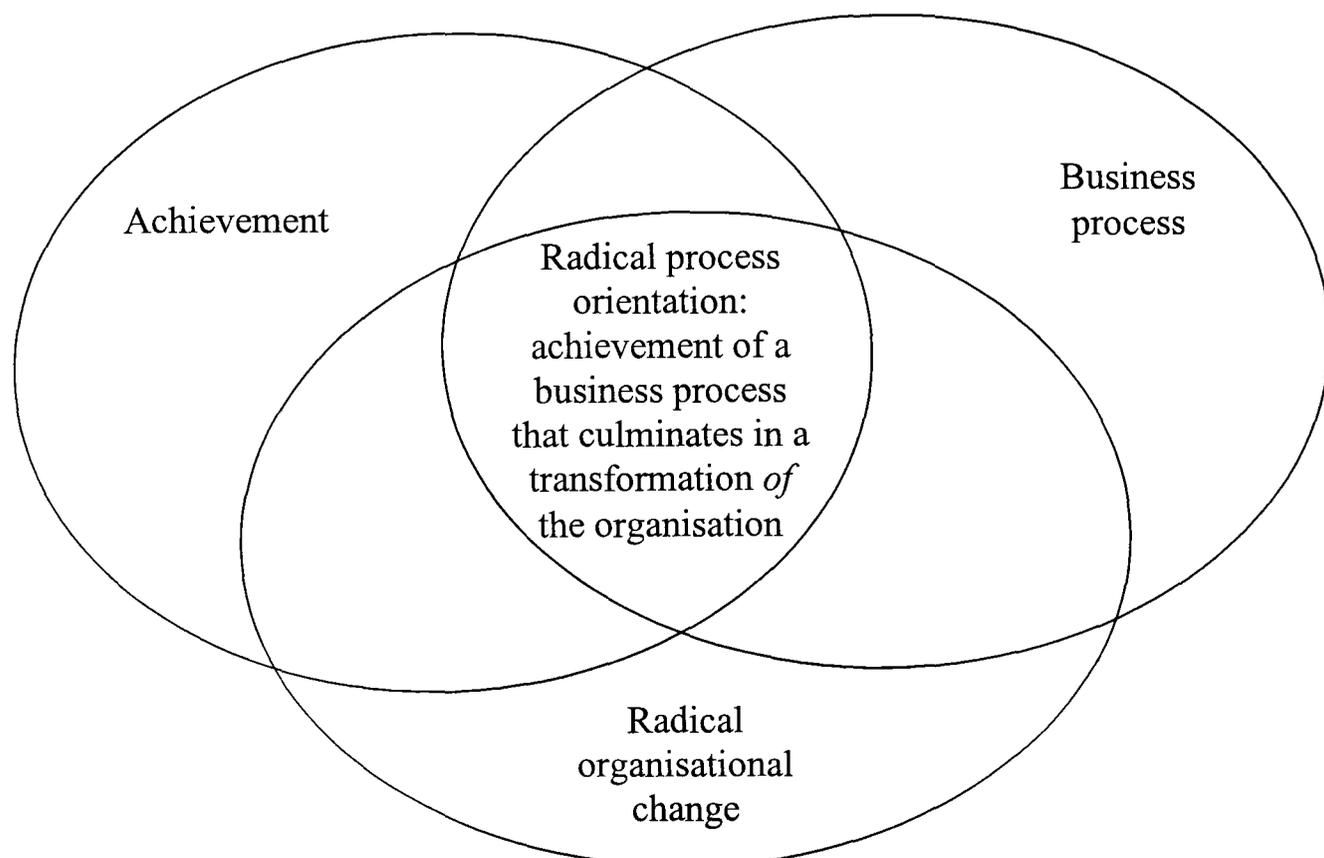


Figure 1.2: The concepts and central focus of this study

1.4 Distinguishing radical process orientation from other radical initiatives

1.4.1 Identifying the radical initiatives

Radical process orientation is often misconstrued to be similar to other radical initiatives, namely financial restructuring, reorganisations, downsizing, and renewal (O'Neill, 1994; Hammer and Stanton, 1995; Ghoshal and Bartlett, 1996). Attempting to clarify and distinguish radical process orientation from other radical initiatives is extremely problematic because of an inconsistent use of the terms financial restructuring, reorganisations, downsizing, and renewal. For example, Keidel (1994) and Moss Kanter et al. (1992) use the term restructuring but each mean quite different things. This situation leaves a researcher who wishes to draw tentative boundaries around these terms open to criticism from others who could cite eminent academic references that contradict or breach such boundaries. Hence, the discussion below is not held out as the *only* way to clarify the overlaps, inconsistencies and contradictions in the extant literature. Nonetheless, as the radical initiatives namely, financial restructuring, reorganisations, downsizing, and renewal, fall outside this research's scope, it is important that they are distinguished from the concept of radical process orientation. The characteristics and distinguishing features of these initiatives are discussed next.

1.4.2 Financial restructuring

Markides (1995) states that “corporate actions such as share repurchasing, refocusing, alliances, consolidations, and leveraged recapitalizations can all fall under the general term ‘restructuring’” (Markides, 1995 p. 101). For the purposes of this research, the term financial restructuring is interpreted to describe dramatic changes that occur when an organisation

changes its financial structure through a merger, acquisition, divestment, management buy-out, or liquidation (Goold and Luchs, 1993; Hitt et al. 1991; Johnston and Yetton, 1996; Markides, 1995; Moss Kanter et al. 1992).

The purpose of a financial restructuring initiative is to alter the shape and composition of the organisation's financial capital. As a consequence of such an initiative the organisation's business processes may be affected, however, an improvement *of* a process is not central to the restructure of the organisation's financial capital. Instead, the balance sheet, potential tax breaks and shareholder value are of primary importance. Therefore, as the focus of this research is the initiation and implementation of a business process, financial restructuring initiatives are excluded from this research.

1.4.3 Reorganisations

Reorganisations are internally focused changes to reporting lines, a reduction in the number of levels in the hierarchy (also called delayering), and changes to administrative groupings (Halal, 1994; Jick, 1995). Reorganisations involve specific functions being combined, e.g. concurrent engineering (Adler, 1995; Kromker and Thoben, 1996; Veasey, 1994) or outsourced (Cheon et al. 1995; Keidel, 1994). Managers usually utilise the organisation's current structure chart as the starting point for reorganisations, and consequently, a change to the organisation focuses upon moving the boxes, altering their shape, and their size (Heckscher et al. 1994). Managers carry out the changes by selecting from a 'grab-bag' of rational development techniques (Euske and Player, 1996; Heckscher and Applegate, 1994). Each reorganisation has a logical explanation that makes sense to those at the top of the organisation looking down the structure chart, yet the changes cause confusion to those who operationalise activities at lower levels in the organisation (Bartlett, 1995).

The central feature of reorganisation initiatives is a rearrangement of the organisation's structure chart. Reorganisations primarily affect reporting lines and barely alter activities that constitute the business process. Whereas business

processes integrate activities across functions, reorganisations tend to disperse activities into different functions. As a consequence of a reorganisation initiative, an organisation's business processes are affected. Yet, the purpose of the reorganisation initiative is rarely to improve the effectiveness of the organisation's processes. The effects of a reorganisation initiative, upon the business processes, are barely considered prior to implementing the change, as managers attempt to create effective processes after a reorganisation initiative is completed. Hence, reorganisation initiatives are excluded from this research.

1.4.4 Downsizing

Downsizing describes reductions in the number of people in an organisation, what McKinley et al. (1995) state as being an "intended reduction in personnel" (p. 32). Keidel (1994) postulates that the central focus of downsizing is rapid organisational efficiency gains, driven by numerical calculations and financial ratios, with little concern for the people in the organisation (Cameron et al. 1991; Cameron et al. 1995; Scott, 1995). Other researchers provide broader descriptions of downsizing by including the planned elimination of positions, jobs (i.e. groups of positions, such as computer programmers), the elimination of an entire function such as marketing or finance, delayering, voluntary and compulsory redundancy schemes, and early retirement (Cameron et al. 1991; Cascio, 1993). Downsizing has also been described as corporate bloodletting (O'Neill and Lenn, 1995). Studies also show that the benefits to be derived by downsizing are elusive (Cameron et al. 1995; McKinley et al. 1995). The impact of downsizing upon people is well researched. O'Neill and Lenn (1995) argue that employees suffer a range of mixed emotions including anger, anxiety, cynicism, resentment, anguish, and a desire for retribution.

Planned reductions of a significant number of people in an organisation will affect its business processes. However, the aim of a downsizing initiative is typically to achieve an immediate cost reduction. Changes to the organisation's business processes are a secondary consequence as they have to be simplified or

automated because fewer people are available to carry out activities which deliver the same, if not greater, volume of products and services to customers. Hence downsizing initiatives are excluded from the scope of this research.

1.4.5 Renewal

Renewal refers to organisations that find their very survival at stake. A large number of terms describe the changes organisations undergo when faced with extinction, including ‘transformation’ (Goodstein and Burke, 1991), ‘renewal’ (Beer and Eisenstat, 1996), ‘turnaround’ (Barker III and Duhaime, 1997; Castrogiovanni et al. 1992), and ‘regeneration’ (Bigler, 1996). A common feature of renewal is mature organisations (Beatty and Ulrich, 1991) going through a survival-threatening decline (Weitzel and Jonsson, 1989) over a period of time (Barker III and Duhaime, 1997). Often organisations are forced to renew themselves when the industry in which they operate is restructured, for example due to changes in technology (Anderson and Tushman, 1990; Meyer et al. 1995). In a recent study of over a dozen organisational renewals conducted by Ghoshal and Bartlett (1996), they conclude that many organisations recognise the need to make radical changes yet “most shy away from it” (Ghoshal and Bartlett, 1996 p. 35). They assert that such organisations are unable to overcome or break through the barriers of organisational inertia, namely overarching concepts or beliefs that reinforce the status quo within an organisation in spite of a growing mismatch between the demands of the external environment and the organisation’s capacity to respond. Hence organisations face decline and ultimately failure (Ghoshal and Bartlett, 1996).

The confusion between renewal initiatives and radical process orientation arises because managers are advised to make process orientation a ‘survival’ issue. Managers are directed to create a ‘burning platform’, a metaphor for a bleak future scenario, even where one does not exist (Carr and Johansson, 1995). Organisations that face survival-threatening declines in performance react by reducing costs or cutting the range and number of businesses. They often follow retrenchment strategies that shrink the asset base or reduce the scope of trading

to those product or market segments that have the largest profit margins. These organisations rarely consider process orientation as a way of overcoming the threat. Hence, renewal initiatives are excluded from this research.

In summary, this research is concerned with radical process orientation, i.e. the achievement of a business process that culminates in a transformation *of* the organisation. The four initiatives discussed above are significantly different from radical process orientation. The key aspects that differentiate radical process orientation from financial restructuring, reorganisations, downsizing, and renewal are summarised in Table 1.1.

| Central focus of this research | | Radical initiatives excluded from this research | | | |
|--|---|--|--|---|---|
| Radical Process Orientation | | Financial restructuring | Reorganisations | Downsizing | Renewal |
| Primary purpose of the radical change | Significantly improving the effectiveness of the business process | Change in the shape and composition of the balance sheet | Reducing the number of levels in the hierarchy or removing functions | Reduction in the number of people in the organisation | Focus upon a profitable line of business, product, or service |
| Organisation unit affected | Set of activities that cross functional boundaries | Entire organisation or function | Hierarchical levels or functions | Individual in any part of the organisation; hierarchical levels | Entire organisation |
| Terminology | Process orientation; redesign; process reengineering | Mergers; acquisitions; liquidation; reorganisations | Delaying, concurrent engineering, outsourcing | Rightsizing; blood letting; cutting excessive fat | Turnaround; regeneration; |
| Key driver of the change | Satisfy stakeholder expectations | React to excessive diversification; shareholder value; repositioning | Internal rearrangement of the structure chart | Cut costs to increase profits | Survive |
| Key references | (Ascari et al. 1995; Braganza and Myers, 1996; Braganza and Myers, 1997; Edwards and Peppard, 1994; Edwards and Braganza, 1994; Edwards and Peppard, 1996; Hammer and Stanton, 1995; Venkatraman, 1991) | (Goold and Luchs, 1993; Hitt et al. 1991; Johnston and Yetton, 1996; Markides, 1995; Moss Kanter et al. 1992). | (Adler, 1995; Cheon et al. 1995; Halal, 1994; Heckscher et al. 1994; Jick, 1995; Kromker and Thoben, 1996; Veasey, 1994) | (Cameron et al. 1991; Cameron et al. 1995; Cascio, 1993; McKinley et al. 1995; Scott, 1995) | (Beatty and Ulrich, 1991; Castrogiovanni et al. 1992; Ghoshal and Bartlett, 1996; Pratt, 1992; Weitzel and Jonsson, 1989) |

Table 1.1: Summary of distinguishing features between radical process orientation and restructuring, reorganisations, downsizing, and renewal

1.5 Structure of this thesis

Chapters 1, 2 and 3 establish the conceptual and methodological underpinnings of this research. Chapters 4, 5 and 6 present the empirical work⁵. Chapter 7 constructs an emergent model for the achievement of radical process orientation by interpreting empirical results and current research. Chapter 8 summarises the contribution, limitations and implications of this research. In addition to these chapters, the Appendices 4, 5 and 6 contain detailed information about each case study in the form of first order constructs, interpretation and second order constructs. These appendices are an extension of the case study chapters and form an integral part of Chapters 4, 5 and 6 respectively. The topics covered in each chapter and the links between the chapters are outlined in Figure 1.3. A glossary of terms used in this thesis can be found at the end of the appendices.

Chapter 1 introduces the subject area of this research, namely business process orientation. It identifies the terrain of this research and establishes its central concern to be the achievement of radical process orientation. This chapter also identifies areas that are excluded from this research: adaptive process orientation, adaptive organisational change, redesign of processes in one function, and radical initiatives such as restructuring, reorganisations, downsizing, and renewal are identified as outside the scope of this research.

As the focus of this research is the achievement of radical process orientation, Chapter 2 critically reviews the business process orientation and radical organisational change research literature. The functionalist and interpretivist paradigms, as defined by Burrell and Morgan (1979), are used to analyse the theoretical and intellectual foundations of current research in business process orientation and radical organisational change. This analysis leads to this research being located in the interpretive paradigm, as intellectual and theoretical underpinnings of this paradigm are most appropriate to the research of the achievement of radical process orientation. Chapter 2 analyses the business process orientation literature as it relates to the achievement of

⁵ Pseudonyms are used for organisations and interviewees at their request.

radical process orientation. Ten conceptual categories are identified as being relevant to the achievement of radical process orientation. These conceptual categories lead to an initial model for the achievement of radical process orientation. This chapter also sets out the research objective and research question for this work.

Chapter 3 lays out the research methodology of this research. This chapter starts by setting out the theoretical foundations of this research, and its case research design. The foundations are based upon Schutz (1967) and his notion of first and second order constructs. Five aspects of design are of importance to this research: theoretical criteria for identifying the unit of analysis, choosing the basis for constructing a sample, choosing the data collection technique, identifying people to be interviewed, and establishing a trail of evidence from data analysis to theoretical propositions and to the emergent model. Each of these five design aspects is examined from a theoretical and an operational perspective. This chapter also highlights findings from the pilot study insofar as the findings affect the methodological and theoretical aspects of the research.

Chapter 4 and Appendix 4 contain the first and second order constructs derived from Financial Data, the pilot study. The purpose of the pilot is to exercise the methodology developed at the beginning of the research. This chapter assesses the five aspects of the case design established in the previous chapter, and reveals actions taken to rectify deficiencies in the design.

Chapter 5 and Appendix 5 present the first order constructs, their interpretation and second order constructs for the Carton Carrier case study. The focus of the Carton Carrier case study is the achievement of the redesign of the organisation's parcel delivery process. This case study led to the identification of 218 first order constructs that were interpreted to form 67 second order constructs.

Chapter 6 and Appendix 6 present the first order constructs, interpretation and second order constructs for Foundry Insurance. The focus of the Foundry Insurance case is the achievement of the inspection process. The analysis led to the identification of 205 first order constructs that were

interpreted to form 60 second order constructs. The second order constructs for both these case studies are classified according to the conceptual categories identified from the literature. Both cases are concluded by synthesising the second order constructs for each conceptual category.

Chapter 7 constructs an emergent model that explains the achievement of radical process orientation. This chapter begins by providing a brief reminder of the initial model. It then focuses on the substantial task of developing a theoretical proposition for each conceptual category relevant to the achievement of radical process orientation. The theoretical propositions are synthesised into an emergent model for the achievement of radical process orientation. Developments made to the initial model to form the emergent model are explained in this chapter.

Chapter 8 concludes this research by recapitulating the arguments from each chapter that lead to the emergent model. The central focus of this chapter is the contribution of this research to knowledge relating to the achievement of radical process orientation. The limitations of this research are also examined. Implications for future research directions and for practitioners are outlined.

This thesis contains six appendices and a glossary of the terms used in this research.

1.6 Chapter summary

This chapter achieved its four aims. First, it introduced this research's subject area, which is business process orientation. Second, it defined concepts central to this research namely, process orientation, radical organisational change and radical process orientation and identified areas excluded from this research to be adaptive process orientation and adaptive organisational change. Third, this chapter distinguished radical process orientation from other non-process centred radical initiatives. Fourth, it set out the structure of this thesis by outlining the essential aspects of each of the eight chapters.

The next chapter reviews current and past research into business process orientation and radical organisational change. It uses the functionalist and

interpretive paradigms as defined by Burrell and Morgan (1979) to locate current research and this research's theoretical and intellectual foundations. It also identifies conceptual categories that are relevant to radical process orientation, and develops these into an initial conceptual model for the achievement of radical process orientation. The next chapter sets out the research objective and question for this research.

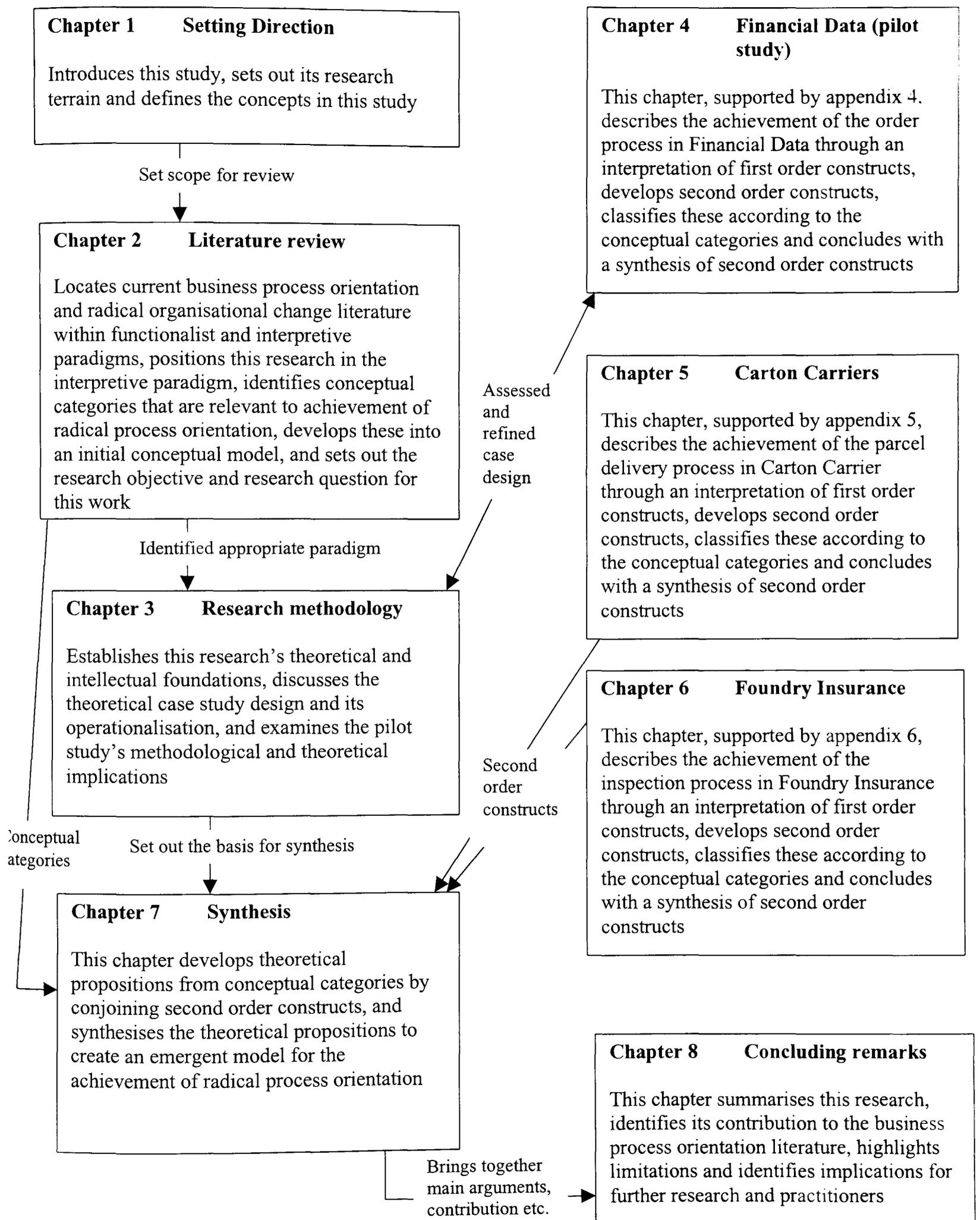


Figure 1.3: Overview of this thesis

Chapter 2 A critical review of research literature in business process orientation and radical organisational change

2.1 Introduction

The previous chapter established that the central focus of this research is the achievement of radical process orientation, and that two concepts are important, namely radical process orientation and radical organisational change. This chapter penetrates the superficial surface of current radical process orientation and radical organisational change research to understand their theoretical foundations. Such an understanding will enable the theoretical and intellectual foundations of this research to be located in a research paradigm that is consistent with studying radical process orientation. Drawing on the radical process orientation literature, conceptual categories relevant to the achievement of radical process orientation are identified. These conceptual categories are developed into an initial conceptual model for the achievement of radical process orientation. The focus of this research, its theoretical foundations, and the analysis of the extant literature lead to the research objective and research question.

This chapter has seven sections after this introduction. This section introduces the chapter and its structure. The second section explains paradigms used to examine the literature. Following this, the radical process orientation and radical organisational change research literature is classified according to their underlying philosophical and theoretical assumptions. Immediately following is a discussion of this research's intellectual and theoretical location in relation to current process orientation knowledge. Then, conceptual categories from the literature are identified, and from these, an initial model for achievement of radical process orientation is constructed. The research objective and research question are established next. A chapter summary and a brief insight into the subsequent chapter bring this chapter to a close.

2.2 The conceptual paradigms to classify the literature

Organisational researchers have a variety of paradigms from which to develop theory for the achievement of radical process orientation. Theorists assert it is important for researchers to understand the theoretical roots that underpin their chosen paradigm (Burrell and Morgan, 1979; Krone et al. 1987; Lane, 1994). Each paradigm provides different lenses with which to delve beneath the surface of the phenomenon under investigation. Hence, this research needs a conceptual framework that enables it to trace its intellectual and theoretical roots.

Burrell and Morgan's (1979) conceptual framework allows researchers to classify a range of organisational theories and, hence, make sense of and understand the potential insights to be gained from competing theories (Jackson and Carter, 1991; Jackson and Carter, 1993). The functionalist and interpretive paradigms, as defined by Burrell and Morgan, dominate the development of organisational theories (Schultz and Hatch, 1996). The functionalist paradigm is characterised by a perspective that treats its subject matter from an objective point of view. The functionalist paradigm is concerned with generating rational explanations of social matters. Researchers in this paradigm address practical problems and endeavour to provide practical solutions. Typically researchers located in this paradigm investigate human affairs using models drawn from the natural sciences. Hence researchers following the functionalist tradition consider the social world to have a concrete existence that is objective and value free (Hassard, 1991). Functionalists assume that the social world can be demarcated and measured using techniques drawn from the natural sciences. Functionalists believe the stable and ordered nature of the natural world to be a characteristic of the world of human affairs.

The interpretive paradigm takes a subjectivist perspective in the study of social affairs. The interpretive paradigm is concerned with understanding human affairs as they are. The central concept of interpretive sociology is intentional acts by members of the organisation. Insights into such acts are generated from within the frame of reference of the organisation member rather

than the observer or researcher of the action. Interpretivists attempt “to understand and explain the social world primarily from the point of view of the actors directly involved in the social process” (Burrell and Morgan, 1979 p. 227). Reality is created through the interactions of individuals. Social reality is conceptualised as “a network of assumptions and intersubjectively shared meanings” (Burrell and Morgan, 1979 p. 28).

The radical structuralist paradigm shares many of the same underpinning assumptions of the functionalist paradigm. Researchers in this paradigm have to take the view that reality is hard, tangible and has a concrete existence that can be measured and studied independently of people (Burrell and Morgan, 1979). Radical structuralists place little emphasis upon the role and nature of people as individual human beings. Hence, this paradigm is unsuited to this research, which is based upon the assumption that reality is socially constructed.

Researchers choosing the radical humanist paradigm for the study of organisations have to accept that their results will lead to an anti-organisation theory. From a radical humanist perspective, organisations have a precarious ontological existence. This paradigm questions whether organisations exist at all, and therefore doubts that organisations can be treated as units of analysis that are worthy of attention in their own right (Burrell and Morgan, 1979). According to Burrell and Morgan the radical humanist paradigm “is a perspective which challenges, at a most fundamental level, the very basis of the enterprise in which most contemporary organisation theorists are engaged” p. 321 (Burrell and Morgan, 1979). A researcher adopting a radical humanist perspective has also to accept the paradigm’s underpinning tenets if the researcher is to be consistent in its assumptions. According to Burrell and Morgan, a researcher located in this paradigm has to “reject all aspects of organisation theory as (a) naïve, misconceived and politically distasteful enterprise” p. 324 (Burrell and Morgan, 1979). Therefore, this paradigm is inappropriate for this research, as its focus is organisations.

These paradigms are framed by meta-theoretical assumptions that underpin a researcher’s frame of reference, and their mode of theorising. Each paradigm focuses upon common perspectives, although within these paradigms

theorists have developed several schools of thought, and there is much debate between the schools within a paradigm. As theorists within one paradigm share a similar set of assumptions, they are often unable to conceive alternative perspectives of reality, which fall outside the boundaries of their paradigm. Burrell and Morgan state that each paradigm is mutually exclusive and contradictory (Burrell and Morgan, 1979). Consequently, researchers tend to adopt a single paradigm at any one time⁶.

The intellectual map provided by Burrell and Morgan has been criticised for being too simplistic, and for overlooking subtle inferences that exist within particular theories (Chua, 1986; Hopper and Powell, 1985). Nonetheless Burrell and Morgan's paradigms have been exercised in the study of a wide range of subjects. For example, (Schultz and Hatch, 1996) used the paradigms in the study of organisation culture. Hirschheim and Klein (1989) applied them to the development of information systems. Lane (1994) used the map to classify methodologies within the systems dynamics discipline. These extensive uses and applications of Burrell and Morgan's paradigms give them credence. Therefore, this research utilises their paradigms to understand existing knowledge on radical process orientation and radical organisational change.

2.3 Classifying current research in radical process orientation and radical organisational change

2.3.1 Literature in the functionalist paradigm

2.3.1 (i) Radical process orientation literature

Much of the literature relevant to radical process orientation is found in the functionalist paradigm. The research is characterised by practical solutions that organisations could undertake for the achievement of radical process orientation. Functionalist researchers claim that the solutions they propose are

⁶ This restriction is debated in the literature, and has led to what some theorists refer to as 'paradigm wars'. The war is between theorists who believe each paradigm is, and should remain, discrete and be developed independently (Jackson and Carter, 1991; Jackson and Carter, 1993) and theorists who adopt multiple paradigms (Hassard, 1991) or theorists who integrate the paradigms to create different levels of understanding (Lee, 1991; Willmott, 1993).

derived from rational and objective study of radical process orientation, and hence can be utilised by a wide range of organisations.

Within the functionalist paradigm, researchers have studied radical process orientation from a number of perspectives. Some researchers have used contingency theory to study the relationship between organisations and their environment. Contingency theory can be traced to the work of Lawrence and Lorsch (1967). They were among some of the first researchers to challenge classical management and human relations theories. These classical theories suggest that there is a single set of principles that can guide management action. Lawrence and Lorsch (1967) argued that organisations apply different principles depending upon the nature of the situation it faces. They argued that the effectiveness of an organisation is a consequence of achieving alignment between a particular situation and its design. Researchers in radical process orientation have used contingency theory concepts to argue that organisation's gain substantial benefits by aligning one or more business processes to its environment (Hall et al. 1994; Hammer and Champy, 1993)

Also within the functionalist orthodoxy are researchers who argue that radical process orientation enables organisations to achieve strategic advantage (Porter, 1980). Teng et al. (1994) state that as radical process orientation is capable of providing organisations with breakthroughs in business performance "it should be approached as a strategic endeavour" (p. 21). Scherr (1993) argues that processes enable organisations to implement their strategy. Researchers focusing upon strategic benefits are concerned with achieving radical process orientation to gain large-scale improvements. These improvements are exemplified by being able to change more quickly than competitors (Hendry, 1995), utilising technology more effectively (Venkatraman, 1994), or introducing new products more efficiently (Boynton and Victor, 1991).

Researchers, that consider organisations to be like a machine (Morgan, 1986), are positioned in the functionalist paradigm (Burrell and Morgan, 1979). Much of the research on radical process orientation is published under the term 'reengineering'. The term, 'reengineering', reflects a mechanistic perspective, which has its roots in the work of Taylor (1911) and Weber (1947).

Reengineering carries the connotation of scientific principles, precise measurements, and objective reality (Jones, 1995). This interpretation of the term, 'reengineering', suggests that organisations implement it in a manner not dissimilar to the way a mechanic repairs a car engine. This imagery suggests that organisations can be deconstructed, reengineered, and then reconstructed into a set of processes that work together smoothly and with a greater degree of precision (Teng et al. 1994b). The reengineering approach is criticised for marginalising and trivialising the human aspects of change (Grey and Mitev, 1995; Willmott, 1994; Willmott, 1995).

Functionalist researchers deal with the achievement of radical process orientation by developing prescriptive models. The models consist of discrete stages, with the stages connected to each other by arrows to indicate the precise sequence in which they are to be followed. The boundaries around each stage indicate where one stops and the next begins. Each stage has prescribed implementation steps that organisations are expected to follow (Teng et al. 1994a; Gouillart and Sturdivant, 1994). Others proponents in the functionalist paradigm bypass the development of a model and propose implementation steps that organisations should take or avoid to achieve radical process orientation. There is significant overlap between the generic implementation steps and the prescriptive models (Coleman et al. 1996; Davenport, 1993; Hammer and Champy, 1993; Hammer and Stanton, 1995; Hendry, 1995).

Typically the prescriptive models contain the following sorts of implementation steps: define parameters for the changes that align with the organisation's vision, identify and select a business process, set stretch targets and goals, map the process, and then, implement the redesigned process. Senior managers are expected to provide unstinting commitment to the changes and constantly communicate the vision to the people in the organisation (Anon., 1991; Davenport and Short, 1990; Grover et al. 1995; Kettinger et al. 1997; Morris and Brandon, 1993; Scherr, 1993; Teng et al. 1994a). The prescriptive models are steeped in logic, systematic diagnosis, and detailed planning. They are presented as being universally applicable. An example of a prescriptive model is the Process Reengineering Life Cycle (Guha et al. 1993). It consists of

six stages and within these there are twenty steps. The first two stages, Envisioning the Future and Redesigning the Process, deal with the initiation of a radical process orientation initiative. These two stages consist of five implementation steps each, i.e. 50% of the model. However, the (Re)construct stage, which deals with implementing changes to organisational elements, consists of two implementation steps, labelled Develop and Deploy New IT and (Re)organise. This weighting towards the design of a radical process orientation initiative is common across many prescriptive models (Hammer and Champy, 1993; Morris and Brandon, 1993; Motwani et al. 1998). Yet empirical studies (Anon., 1994; Asamoah and Duncan, 1993) reveal that organisations use a wide variety of methods to achieve radical process orientation. These studies question the usefulness of prescriptive models.

Implicit in the prescriptive models is that there is a single reality and that people in the organisation begin with a shared reality. Functionalist researchers are criticised for assuming that implementors are neutral and objective and that people will want to change when presented with an irrefutable case for change. Implementors expect people to be committed to the changes, and antagonism towards the business process orientation initiative is seen as evidence of inertia and resistance to change. Such reactions from people are taken to mean that they lack understanding of management's vision of the future, or an irrational attachment to the 'good old days'. Overcoming inertia and resistance requires strong and persuasive leaders who communicate and sell business process orientation to employees (Grey and Mitev, 1995; Willmott, 1995). Indeed, the purpose of communications about radical process orientation is to create a single reality throughout the organisation (Carr and Johansson, 1995).

Researchers draw on a number of other theories in the functionalist paradigm to argue the merits of different prescriptive models. For example, Van Ackere et al. (1993) draw on systems theory to argue that implementors should take a broader perspective of initiation and implementation. Crowston (1997) bases his approach for designing processes from the co-ordination theory perspective. Mumford (1994), Terlaga (1994) and Tinaikar et al. (1995) criticise existing prescriptive models for neglecting social systems within organisations.

They revert to socio-technical theory to argue that models espoused by such theorists provide a balance between technological and social aspects of process orientation. The problem with these arguments is that the underlying theories (systems, co-ordination, and socio-technical) barely lend themselves to fundamentally challenging the status quo (Tushman and Romanelli, 1985) within the organisation. Thus, prescriptive models derived from theoretical foundations in the functionalist paradigm are unlikely to lead to the achievement of radical process orientation.

A number of researchers in the functionalist paradigm diminish the change achieved during the implementation phase from radical to adaptive (Meyer et al. 1995). Two typical examples of this diminution are found in the work of Petrozzo and Stepper (1994) and Robey et al. (1995). Petrozzo and Stepper (1994) argue, from a perspective that is rooted in the functionalist tradition, that organisations should be radical during the initiation phase of process orientation. This, they claim, requires strong leadership, a willingness to 'fight the good fight', the need to 'communicate aggressively' the importance of radical process orientation, and the creation of a 'burning desire' for radical process orientation. The organisation is expected to assemble a team of capable people who will gather information and undertake root cause analysis. Based upon strong leadership and extensive analysis, the team is expected to develop innovative and substantially improved processes. However, Petrozzo and Stepper (1994) argue that as the organisation enters the implementation phase, it should minimise the extent to which the new designs interfere with the prevailing status quo and internal environment. In effect, they advocate that the new process should culminate in adaptive change. Robey et al. (1995) develop an approach that suggests radical initiation, which culminates in adaptive change. Their approach is rooted in merging two organisational metaphors, namely as a machine and as an intelligent organism (Morgan, 1986). They argue that during the initiation phase organisations create radical and innovative process designs from a 'clean slate' perspective. However, they argue that radical designs encounter greatest obstacles during the implementation phase. Hence, Robey et al. (1995) conclude that the radical designs created during the

initiation phase should be incorporated into the overall development and learning that an organisation goes through. They recognise fully that their developmental and learning approach will culminate in adaptive changes during the implementation phase (Robey et al. 1995).

There are several consequences of implementing adaptive process orientation that was radical during the initiation phase. First, researchers and practitioners cause a great deal of confusion when using the same term, process orientation, to describe these two quite different types of process orientation. A second consequence is that the anticipated strategic benefits are unlikely to be achieved (Hall et al. 1994; Lynch, 1995). Organisations that undertake radical initiation are urged to set 'stretch goals' such as 100% improvement in cycle time, cost reductions of 75%, and 30 times improvement in performance (Dixon et al. 1994; Kaplan and Murdock, 1991). According to Miles (1995) such breakthroughs in performance are unlikely to be achieved through adaptive or piece-meal implementation (Davenport and Nohria, 1994) which are often "patchwork repair efforts" (Miles, 1995 p. 129). A third consequence is its effect upon employees. During the radical initiation phase, employees' expectations rise, as implementors communicate plans of significantly brighter future prospects and identify innovative business processes. However, as the plans are not achieved during the implementation phase, employees become cynical about the entire initiative and about management's willingness to really change the organisation, and people's morale falls (Andersson and Bateman, 1997). A fourth consequence is that organisations are faced with a morass of prescriptive methodologies that apparently lead to a radical change, but whose sub-text is actually to 'leave the prevailing status quo intact'. Not surprisingly, radical process orientation initiatives that culminate in an adaptive change are deemed to have failed.

2.3.1 (ii) Radical organisational change literature

Researchers at McGill University carried out seminal work to understand radical organisational change (Miller and Friesen, 1980; Miller, 1982). They conducted an empirical study of forty organisations from a contingency theory perspective. They argue that organisational change is based upon extrapolations of the past. Once an organisation adopts a particular change direction, there is a tendency for that direction to have a momentum associated with it. The momentum of a given direction is maintained even though organisational elements such as strategy, structure, and technology change continuously. This is possible because modifications to one element create change in others. Consequently, organisational elements stay aligned in broadly the same direction. This evolutionary alignment of elements creates a prevailing gestalt, that is, an accepted configuration of strategy, structure, and technology that remains fundamentally the same over time (Miller and Friesen, 1980). Van de Ven and Poole (1995) describe radical organisational change as an “underlying logic that explains a causal relationship between independent and dependent variables in a variance theory” (p. 512).

Radical organisational change is characterised as a reversal in the prevailing direction of change. A change is radical in nature when the reversal of direction affects a large number of organisational elements. Researchers have been able to associate reversals in direction with certain events, such as a shift in power within the organisation or sudden performance deterioration (Miller, 1982) and (Miller and Friesen, 1980). These events lead to the creation a new gestalt among organisational elements, for example, by introducing a radically new concept of the business, its nature, goals, and strategies. Hence, several elements, including the structure, information systems, and working practices experience a reversal in direction.

In order to generate knowledge that is objective and transmittable in a tangible form, theorists adopt positivist methods that are steeped in testing hypotheses and scientific rigour. The intention of these theorists is to generate knowledge that can explain and predict the social world by finding causal

relationships between elements of the social world. Theorists in the functionalist paradigm share at least one assumption: that radical organisational change is a concrete, tangible phenomenon which can be studied, measured, and understood from a distance, using positivist methods. This has led theorists to study radical organisational change through the quantitative analysis of historical records such as annual accounts and published case studies. Theorists in this paradigm apply their own frame of reference and hypotheses to define radical organisational change and use measurement templates derived from constructs developed by other experts in this field.

2.3.2 Literature in the interpretive paradigm

2.3.2 (i) Radical process orientation literature

The interpretive paradigm provides an alternative to functionalism. A small number of studies have been carried out based upon the assumptions that underpin the perspective. The aim of these studies has been to understand radical process orientation from the perspective of people who are closest to it, and hence overcome the drawbacks of the functionalist orthodoxy that dominates the vast majority of research.

Four topics relevant to this research are reviewed. First, research that examines the radical initiation of process orientation; second, frameworks that suggest implicitly that reality is constructed by people directly involved in process orientation; third, research into radical initiation and adaptive implementation of process orientation initiatives; fourth, research that examines the achievement of radical process orientation.

Earl et al.'s (1995) work characterises studies relating to the first topic, radical initiation of process orientation. They assert that four issues need to be aligned during the initiation phase. These are business strategy planning, information systems strategy planning, change management models, and reengineering. They develop a tentative alignment model based upon these four issues and, using a grounded theory approach, explore process orientation

initiatives through their model. They hypothesise that organisations have four potential initiation strategies available to them. They assert that each strategy adopts a particular conception of the purpose and attributes of a business process. For example, their proposed engineering strategy focuses upon workflow analysis of the process, and the use of technology to automate the process. This strategy is characterised by finding solutions to operational problems, and leads to adaptive changes being implemented. Earl et al. (1995) conclude that the choice of which strategy an organisation pursues is not always readily apparent. They recognise too that the views and opinions of people influence the organisation's choice of strategy. For the purposes of this research, Earl et al.'s (1995) work suffers from three drawbacks. First, as their work focuses upon the initiation phase, they neglect the actions taken by the case study organisations to implement the changes. Second, they examine each organisation's process orientation initiative from the perspective of those people who were responsible for its initiation. This includes the project sponsor, project manager, information systems project manager, and business planner. Their selection of respondents is narrow and they are likely to hold biased views, as they have a vested interest in portraying the initiation phase to be successful. Third, Earl et al. (1995) singularly fail to address the type of change their initiation strategies are intended to address, namely adaptive or radical (Meyer et al. 1995). They avoid this issue on the basis that "there is no coherent theory of change within BPR research" (Earl et al. 1995 p. 34). Not surprisingly, therefore, the strategies they propose are silent on the type of change organisations can expect to have to manage through the implementation phase. However, it is apparent, from the implications they raise about future research, that their strategies barely lend themselves to radical process orientation.

The second topic is frameworks that suggest implicitly that people directly involved in process orientation construct reality. A common assumption that underpins the work of these researchers is that process orientation emerges from the experiences and actions of people who are closely related to the initiative. The purpose of the frameworks is to enable people to share their

perspective of process orientation, and hence, reach consensus. Kilmann (1995), for example, draws on his extensive work in the area of cultural change to propose what he describes as a holistic, eight track framework for implementing process orientation. A central feature of this framework is for people within the organisation to share their views on different aspects of the change. Kilmann (1995) places heavy emphasis upon workshops, where people from different vertical functions discuss and shape process orientation. The workshops provide an opportunity for people to have an on-going dialogue about their perceptions of process orientation. Clemons (1995) recognises that radical, discontinuous process orientation is a difficult and risky undertaking, especially during the implementation phase. He asserts that the risks can be minimised where managers share a common view of the future external environment their organisation may face. This requires people within the organisation to communicate with each other, as each person is likely to perceive future scenarios differently, based upon their personal assumptions. He argues that people need to construct a range of possible future scenarios, and suggests that they use scenario analysis techniques as a way of developing commonly held views of future scenarios. However, Clemons (1995) highlights the danger of the scenarios being anchored to or extrapolations of the past. He asserts that senior managers need to challenge their own assumptions when constructing scenarios. He concludes that radical designs are more likely to be implemented where managers share a commonly held view of the future.

Whereas Kilmann (1995) and Clemons (1995) extend previously developed concepts to the field of radical process orientation, other researchers have developed frameworks specifically for this area. For instance, Edwards and Peppard (1994) and Earl and Khan (1994) propose frameworks for classifying processes. These frameworks are based implicitly upon the assumption that people closest to process orientation should understand and agree the nature of the process(es) to be changed. The interpretive nature of the Edwards and Peppard (1994) framework is demonstrated through its usage (Edwards and Peppard, 1997). The classification of the processes is an outcome of a high degree of interaction between people associated with process

orientation. Edwards and Braganza (1994) developed a framework that enables people in organisations to understand and agree the degree and scope of the changes. The degree of change refers to the scale or magnitude of the changes, and scope refers to the breadth of the organisation affected by the changes. These two dimensions form a framework that people utilise to agree the type of radical process orientation initiative they believe should be implemented. Edwards and Braganza (1994) argue that as the degree of change can vary for each organisational element, process orientation initiatives can range from minor changes within a small part of the organisation to a radical change across a business process. These frameworks suggest that researchers consider organisational reality to be socially constructed, with individuals creating meaning through their interactions.

The third topic relates to studies of radical initiation and adaptive implementation of process orientation. Three studies frame this topic (Currie and Willcocks, 1996; Stoddard and Jarvenpaa, 1995; Stoddard et al. 1996). Stoddard and Jarvenpaa (1995) conducted a longitudinal case study to address the issue of radical and adaptive change in the field of process orientation. They argue that organisations undertake process orientation that can culminate in either radical or adaptive change. Radical process orientation results in a major change to the existing status quo, that is, the structure, business practices, and assumptions. Adaptive process orientation, on the other hand, preserves the status quo. Stoddard and Jarvenpaa (1995) found that during the initiation phase, a great deal of attention was given to managing issues such as leadership, management commitment, employee involvement, information technology changes, communication, structural and cultural changes, to generate radically new processes. Organisations planned a radical change, and hence designed processes that were significantly different to the status quo. However, during the implementation phase, proposed radical changes were scaled down, deadlines were allowed to slip, or certain changes, especially cultural and structural changes, were simply put on hold. Organisations were unable to change the status quo, and process orientation resulted in adaptive change. They describe this as a paradox and summarise their observations thus:

“the more radical the planned change, the more the organisations employed revolutionary change during design, but not necessarily during implementation (p. 94) ... sustainable incremental improvement via an evolutionary change process might be what companies should sometimes expect from BPR” (Stoddard and Jarvenpaa, 1995 p. 105).

The second study is also by Stoddard et al. (1996). They selected organisations that had initiated one or more process orientation projects. They defined a process orientation project as “an effort that the management in the company launches as a radical organizational initiative” (Stoddard et al. 1996 p. 74). This definition emphasises the initiation phase and provides an incomplete perspective. For example, they undertook a longitudinal study of Pacific Bell’s order fulfilment process. Based upon this organisation’s experience, they argue that:

“whereas BPR is different from the total quality approaches in *design*, during the *implementation* stage well done BPR is similar to total quality approaches. As the early writings of reengineering suggest, during design, BPR is radical, takes a clean slate approach, is process driven, top-down directed, and IT enabled. However, during the *implementation* stage, BPR is continuously incremental, (and) *constrained* by organizational realities” (Stoddard et al. 1996 p. 60 - italics in original).

It is apparent from their work that very few, if any, of the organisations included in their sample actually achieved radical process orientation. This is hardly surprising, given their definition of a process orientation initiative focuses on radical initiation with no mention of implementation.

The third study is by Currie and Willcocks (1996). They conducted a longitudinal study into the Royal Bank of Scotland’s radical process orientation initiative. They describe their study as an examination of the implementation of a radical process orientation initiative. Yet, they admit that the bank’s initiative culminated in an adaptive change. Currie and Willcocks (1996) identified the reasons the bank veered away from radical change. First, conservative practices and procedures that pervaded the organisation inhibited large-scale change. Second, the bank faced difficulties in two areas, customer services and increased pressure from competitors. However, the bank was profitable based upon existing work practices and levels of customer service. The need for radical

process orientation was poorly communicated: “environmental pressures for change seemed less obvious to many of the workforce of the bank” (Currie and Willcocks, 1996 p. 230). Third, traditional hierarchical and functional boundaries reinforced the status quo. These organisational elements were being threatened by the process orientation initiative and managerial staff found they were unable to commit to changing the status quo. Fourth, the process orientation initiative was perceived by the staff to be an information technology project:

“At the Royal Bank, re-engineered core processes were to be heavily dependent on IT to deliver the anticipated large-scale improvements in financial performance” (Currie and Willcocks, 1996 p. 230).

The project required people from business divisions and the technology division to work together. This surfaced historical tensions between the business and technology divisions. Consequently, managers interpreted process orientation, at strategic and operational levels, in ways that furthered their personal position and their department’s position. The bank also faced a shortage of technical and project management skills needed to develop the IT system. External contractors were brought in which also created tensions and difficulties between the bank’s traditional IT staff and the contractors:

“For existing technical staff if it (the new technology being introduced to support reengineering) did not threaten jobs, it certainly placed doubts about the relevance of their traditional IT skills. The large influx of technical staff and contractors signalled new working practices and types of contract, and that banking was no longer a job for life” (Currie and Willcocks, 1996 p. 232).

Fifth, the proposed process orientation caused anxiety and concern across all levels in the workforce:

“the ‘New Bank’ vision, in its human resource implications, could be perceived as threatening interests and change at all levels” (Currie and Willcocks, 1996 p. 232).

The senior managers appear not to have recognised people’s anxieties, concerns, and feelings of being threatened and as these were neglected the researchers “found considerable evidence of emergent protectionist strategies amongst the banks workforces” (p. 232). The researchers assert that based upon

their observations of the Royal Bank, two major barriers prevented the implementation of radical process orientation: middle and line manager resistance to process orientation, and lower level employee fear and resistance to change. These three studies show that researchers in the interpretive paradigm, like functionalist researchers, diminish radical process orientation from radical to adaptive implementation.

The fourth topic deals with the implementation of radical process orientation. Caron et al. (1994) chronicle the experiences and lessons learnt at CIGNA Corporation, a US-based insurance company. The salient features of radical process orientation in two divisions, CIGNA Reinsurance and CIGNA Property and Casualty, are outlined briefly.

CIGNA Reinsurance (CIGNA Re) This division was the pilot site for radical process orientation and the radical nature of the changes is readily assessed. Over an eighteen month period, CIGNA Re was transformed from a traditional, functional reinsurance organisation to one that had five cross functional, customer focused teams, with team based incentive schemes, and fewer computer applications (17 down to 5) operating across a local area network. The organisation introduced team based management, and emphasised accountability and customer focus. A wide range of actions were taken to implement the changes including developing job descriptions for team leaders, selecting team leaders, creating new compensation packages, and implementing a work flow system. The organisation undertook an extensive communication programme, however, people felt uneasy about radical process orientation. This was partially due to people having to reapply for roles that were created, and also because fewer people were needed, as previous roles were merged to meet the process's requirements. Headcount at the administrative levels fell by about 50% due to workflow systems installed. People, who did not get jobs in the new role, were able to apply elsewhere in the Group for jobs.

CIGNA Property and Casualty The information contained in Caron et al.'s (1994) article about this division's initiative is thin. This division's radical process orientation initiative was initiated in October 1993. The implementation phase was completed through six inter-related projects. These covered areas

such as realigning divisional measures so that they matched the measures individuals had to achieve, introducing new workflow technology, and creating team based working (Golden, 1995). An interesting feature of the CIGNA experience is that an internal process orientation team was created. The team was called CIGNA Systems Reengineering Group, and it reported into the CIO. It is a permanent team of about ten people, described as future leader types, who would remain on the team for 12-18 months. This team was involved in all divisions' radical process orientation initiatives.

One limitation of current understanding is that as little research has been conducted into the initiation and implementation of radical process orientation from an interpretive perspective, the consequences that arise from implementation are poorly understood. A further shortcoming of existing research in the interpretive paradigm is that researchers withhold the theory, e.g. ethnomethodology, underpinning their work. It is difficult, therefore, to identify whether the conclusions of researchers such as Currie and Willcocks (1996), Earl et al. (1995), Kilmann (1995), and Stoddard et al. (1996) are a consequence of the particular research approach taken, or due to a deeper theoretical reason.

2.3.2 (ii) Radical organisational change literature

Gersick (1991) conceptualises radical change as a punctuation in an organisation's period of equilibrium. She suggests that organisations experience periods of equilibrium when fundamental organisational elements remain the same. Minor changes to organisational elements are made to compensate for external perturbations, however, the organisation's deep structures remain unchanged. According to Gersick (1991), organisations experience radical change when the basic assumptions and organising logic of the organisation are dismantled, and reconfigured into a new way of organising and operating. Organisations experience a period of upheaval and uncertainty during the radical change, and this continues until equilibrium is achieved around a new set of assumptions. Other seminal theorists are Tushman and Romanelli (1985), Tushman et al. (1986), Tushman and O'Reilly III (1996). They refer to radical

change as frame-breaking or discontinuous. Such a change is characterised by a sharp and simultaneous shift in strategy, structure, and controls. They describe a frame-breaking change as changes *of*, as opposed to, *in* the organisation. They assert that frame-breaking change can be driven proactively by people within the organisation, either in response to foreseeable events (e.g. maturation of products) or unexpected events (e.g. unexpected legal changes). The effects of radical change are felt throughout the organisation, particularly in terms of the power and status held by individuals and the way people work together.

2.4 Locating this research in Burrell and Morgan's paradigms

By far the largest volume of research in radical process orientation has been carried out from within the functionalist paradigm. However, functionalist approaches are criticised for three basic assumptions. First, that radical process orientation can be formulated into an objective reality that is structured and rational. This assumption leads researchers to treat radical process orientation as though it has an existence that is concrete and tangible. Second, that the social world of organisations experiencing radical process orientation is ordered and stable. Researchers in this paradigm instinctively conceive organisations to be mechanistic in nature. Third, that positivist methods, derived from the natural sciences, provide adequate means to make sense of and explain the social world. The theories that have guided researchers in the functionalist paradigm include contingency, socio-technical, and systems theory. While these theories provide insights into the design of radical process orientation, the resultant changes to the prevailing status quo are adaptive. Consequently, radical process orientation has been diminished to radical initiation and adaptive implementation. The results of functionalist research leads to the identification of prescriptive models which have discrete stages, where one stage leads neatly to another in a smooth flow to the change that might be radical or adaptive. The lack of consideration of the social aspects and the broad generalisations that comprise the prescriptive models reveal the inappropriateness of functionalist approaches to study radical process orientation. Radical changes to the status quo deeply affect the social

aspects of the organisation. Functionalist approaches are simply not geared to penetrate the intrinsic complexity of managing the achievement of radical process orientation. Functionalist researchers miss the opportunity to develop a rich model of the complexity, which can provide greater insights into the achievement of radical process orientation. Hence, this research will not adopt a functionalist perspective because to understand the achievement of radical process orientation there is a need to develop such a rich model.

Alternative philosophical perspectives are provided by the interpretive paradigm. Researchers adopting this perspective take cognisance of the views of people directly involved in radical process orientation. Researchers in the interpretive paradigm have used grounded theory and longitudinal case study approaches. These studies reveal that the achievement of radical process orientation is messy, with some people supporting and other resisting changes. An important finding from research carried out in the interpretive tradition is that radical process orientation is not achieved in discrete stages. Instead, the boundaries between initiation and implementation are blurred and indistinct.

In essence, this research is theory building in nature. Burrell and Morgan (1979) provide the following advice to researchers who pursue a theory building study:

“Theorists who wish to develop ideas ... cannot afford to take a short cut. There is a real need for them to ground their perspective in the philosophical traditions from which it derives; to start from first principles; to have the philosophical and sociological concerns by which the paradigm is defined at the forefront of their analysis; to develop a systematic and coherent perspective within the guidelines which each paradigm offers, rather than taking the tenets of a competing paradigm as critical starting points of reference. Each paradigm needs to be developed in its own terms” (p. 397).

This research is concerned with managing the achievement of radical process orientation. This research argues that understanding radical process orientation from the perspective of people involved with and with experience of its achievement is crucial to gaining pragmatic insights from which to develop theory. Unlike functionalist researchers, interpretive researchers are able to grasp the rich picture that these people can provide. Developing such a rich

picture involves the researcher taking the perspective of these people. The exploration of radical process orientation from their perspective is at the heart of this research. Hence, this research is rooted in the interpretive paradigm.

2.5 A review of the business process orientation literature to identify conceptual categories

The literature was analysed as it relates to the achievement of radical process orientation. The purpose of this analysis was to identify conceptual categories, namely issues that are considered important to the achievement of radical process orientation. The analysis was based upon the definition of the term ‘achievement’⁷, established in the previous chapter. It should be borne in mind that a different conceptualisation of the term ‘achievement’ might lead to different conceptual categories being identified.

2.5.1 Rationale for radical process orientation

Researchers argue that radical process orientation is undertaken by organisations in response to one or more drivers for change. Drivers for change represent the rationale for initiating radical process orientation, and address the fundamental question ‘why change’ (Dixon et al. 1994). Researchers argue that a shared understanding of the drivers for change is critical to the achievement of radical process orientation, as these drivers are utilised to create a case for change. There is widespread agreement that people are unlikely to support radical process orientation unless they understand and accept the drivers for change. Two broad classifications of drivers for change can be identified: threats or opportunities. Threats include increased competitor activity (Ascari et al. 1995), severe economic downturns (Teng et al. 1994a), industry changes (Buchanan, 1997), and outdated working practices that no longer satisfy stakeholder expectations (Ayers, 1995). Opportunities include developing new competencies (Hamel and Prahalad, 1994), new product introductions (Gerwin

and Guild, 1994), and improving customer service (Gouillart and Sturdivant, 1994).

2.5.2 Choice of change initiatives

The literature postulates that the drivers for change lead directly to one or more radical process orientation initiatives. This is based upon two lines of reasoning (Ascari et al. 1995; Hammer and Champy, 1993; Kettinger and Teng, 1998). One line of reasoning is that radical process orientation is the better choice with which to address drivers that require an organisation to undertake radical change, as other change initiative options are inherently limited (Carr and Johansson, 1995). While the criticisms of other change initiatives maybe valid, the argument that, by default, radical process orientation is automatically more appropriate is weak and unsustainable. The second line of reasoning is that drivers for change require organisations to achieve radical performance improvements, and that radical process orientation is an effective means of achieving such improvements (Hammer and Champy, 1993). Yet studies show that initiating a radical process orientation initiative on the basis of performance improvements can lead to failure (Currie and Willcocks, 1996; Stoddard and Jarvenpaa, 1995), as the changes are found to be unacceptable to people within the organisation.

Organisational change scholars recognise that organisations have available to them competing options for dealing with drivers for change (Duck, 1993; Keidel, 1994; O'Neill, 1994). For example, organisations can deal with the threat of increased competition by merging with or acquiring the competitor (Markides, 1995) or by forming strategic alliances (a recent trend in the airline industry). Rapidly changing technologies could be dealt with by outsourcing aspects of the business to specialist companies (Cheon et al. 1995). It is noticeable that current research is silent in terms of providing theoretical criteria with which to select radical process orientation against other change options.

⁷ 'Achievement' refers to the initiation and implementation phases of change to effect a business process in an organisation, and the related consequences that arise from implementation.

Hence, a gap in the literature is that theoretical criteria for selecting radical process orientation as against other types of change initiatives is missing.

2.5.3 Content and nature of changes experienced

Researchers in the radical process orientation literature conceptualise radical change in terms of significant expected performance improvements. For instance, Dixon et al. (1994) assert that their working definition of reengineering is that it is a revolutionary approach which focuses upon the attainment of significant desired results from a business process. Stoddard et al. (1996), drawing upon the work of Davenport (1993) and Hammer and Champy (1993), assert that radical change refers to the magnitude of the performance improvement:

“a change that results in incremental improvement (e.g. a 10% cost reduction) would not be considered a radical change” (Stoddard et al. 1996).

Stoddard et al.’s (1996) view of incremental improvement stand in stark contrast with Tushman et al.’s (1986) conception of an incremental improvement:

“almost any organisation can tolerate a ‘ten-percent change’. At any one time only a few changes are being made; but these changes are still compatible with the prevailing structures” (p. 34).

Two implications are borne of conceptualising radical change in terms of performance improvement. One is highlighted in a recent survey (Grover et al. 1998), which found a fundamental problem facing organisations embarking on radical process orientation is that the “need for managing change is not recognized” (p. 57) by board members and senior managers (Grover et al. 1998). This is because people focus upon measuring performance improvements rather than changes to organisational elements (Kaplan and Murdock, 1991). The second, is radical process orientation is deemed to be a strategic initiative because organisations set out to achieve order of magnitude improvements (Hall et al. 1994).

The conceptualisation that radical process orientation researchers ascribe to radical change is incongruous with the perspective asserted by radical change theorists (Gersick, 1991; Miller and Friesen, 1980; Tushman and Romanelli, 1985; Tushman et al. 1986; Tushman and O'Reilly III, 1996). Radical change theorists conceive radical change to be one that culminates in a significant change to organisational elements such as strategy, structure, people, and systems.

This is not to say that researchers in process orientation overlook the views of the change theorists. Indeed, researchers assert that the radical nature of reengineering involves the organisation in making a change in direction or challenging the status quo (Dixon et al. 1994). Nor do change theorists argue for change for change sake, i.e. without a corresponding performance improvement. However, process orientation researchers give prominence to radical performance improvements when conceptualising radical change. This emphasis upon radical performance improvement has led to process orientation researchers urging implementors to set stretch goals and dramatic performance improvement targets (Hagel III, 1993). The organisational change implications, which stem from a quantum leap in performance improvements, are regarded as a contingent effect. This is an inappropriate conceptualisation of radical change because 'change' is placed as a subsidiary issue to performance improvement.

Radical change theorists, on the other hand, focus upon changes to organisational elements namely, strategy, structure, people's responsibilities and appraisal criteria, behaviours and information systems, and treat performance improvements as a result of implementing radical changes to these elements. The conceptualisation of radical change distances radical process orientation researchers from mainstream radical change theorists.

The content of the organisational changes required to achieve radical process orientation is labelled change management issues or change management problems (Earl et al. 1995; Grover et al. 1995). The change management issues frequently highlighted in the literature are summarised in Table 2.1.

| Change Author | Responsibilities | Organisation structure | Appraisal criteria | Information systems | Behaviours |
|------------------------------|-------------------------|-------------------------------|---------------------------|----------------------------|-------------------|
| (Hammer and Champy, 1993) | ✓ | ✓ | ✓ | ✓ | ✓ |
| (Hall et al. 1994) | ✓ | ✓ | ✓ | ✓ | ✓ |
| (Asamoah and Duncan, 1993) | ✓ | | ✓ | | |
| (Caron et al. 1994) | ✓ | ✓ | | ✓ | ✓ |
| (Davenport and Nohria, 1994) | ✓ | ✓ | ✓ | ✓ | |
| (Ascari et al. 1995) | ✓ | ✓ | ✓ | ✓ | |
| (Earl and Khan, 1994) | ✓ | | ✓ | ✓ | ✓ |
| (Kilmann, 1995) | | ✓ | ✓ | | ✓ |

Table 2.1: Content of changes that occur during a radical process orientation initiative

At first glance, the above table leads to the conclusion that there is a high degree of consensus about the content of the changes that occur. However, on closer examination, the details of the organisational changes differ widely, as the following detailed analysis of the content of the change reveals:

Detailed changes to people's responsibilities are:

- ◆ greater empowerment, where people in the process decide how and when work is to be done (Hammer and Champy, 1993)
- ◆ decision making authority is increased for the person responsible for the process (Davenport and Nohria, 1994),
- ◆ defined along the horizontal or process dimension rather than on a vertical or functional basis (Earl et al. 1995)

Detailed changes to organisation structure are:

- ◆ hierarchy flattened in terms of the number of levels (Hammer and Champy, 1993)
- ◆ a decrease in the number of vertical functions (Davenport and Nohria, 1994)
- ◆ size and power of the functions decrease (Ascari et al. 1995)
- ◆ organise by process rather than function (Hodgetts et al. 1999)

Detailed changes to appraisal criteria are:

- ◆ introduction of performance related pay (Asamoah and Duncan, 1993)
- ◆ team based compensation (Caron et al. 1994)
- ◆ compensation linked to profitability of the process (Davenport and Nohria, 1994)
- ◆ linked to broader process goals (Earl et al. 1995)
- ◆ linked to the individual's and group's contribution to improving the process (Kilmann, 1995)
- ◆ rewards should be in the form of bonuses linked to value created by the process (Hammer and Champy, 1993)

Detailed changes to information systems are:

- ◆ development of new systems that support the process (Caron et al. 1994)
- ◆ a mix of old and new systems (Davenport and Nohria, 1994)
- ◆ tailored IT solutions (Ascari et al. 1995)
- ◆ shared databases (Earl and Khan, 1994)

Detailed changes to behaviours are:

- ◆ employees believe they work for and take ownership of customers (Hammer and Champy, 1993)
- ◆ enhancing trust, communication, information sharing, and willingness to change in the organisation (Kilmann, 1995)
- ◆ demolishing old assumptions (Earl and Khan, 1994)
- ◆ changing business practices (Caron et al. 1994)

The above analysis shows that there is little agreement in the literature in terms of the content of the changes. It highlights a lack of clarity in current thinking about the nature of the changes. Some proponents argue that the changes lead to realignment from a functional structure to a predominantly process orientation; while others suggest that organisations retain their functional structure; yet, others are silent on this issue.

This examination suggests that there is much confusion in the radical process orientation literature surrounding the conceptualisation of radical organisational change and, the content and nature changes that organisation's experience in a radical process orientation initiative.

2.5.4 Gaining and sustaining buy-in

Researchers argue that the concept of 'buy-in' is critical to the achievement of radical process orientation. Three empirical studies identified loss of board and senior management buy-in to be the major barrier to radical process orientation being achieved (Anon., 1994; Bashein et al. 1994; Grint and Willcocks, 1995). The components of buy-in manifest themselves, in the literature, in three overlapping ways:

- ◆ People being convinced that the drivers for change, be they threats or opportunities, really exist and that the organisation faces potential risks or missed opportunities were it not to proceed with radical process orientation (Bashein et al. 1994; Carr and Johansson, 1995; Dixon et al. 1994; Jarvenpaa and Stoddard, 1998)
- ◆ People commit themselves to the organisation's future vision. The vision may be stated in terms of radical performance improvements, better customer service, or the development of innovative products (Anon., 1994; Hammer and Stanton, 1995; Motwani et al. 1998; Petrozzo and Stepper, 1994)
- ◆ People buy-in to the steps being taken to implement the redesigned process. Examples include managers being more open with each other, involving employees in the redesign, and increased levels of

communication. A survey revealed that insufficient buy-in, to the steps by which the changes associated with radical process orientation are to be achieved, was one of the major implementation problems encountered by organisations (Grint and Willcocks, 1995).

Buy-in is operationalised typically by one or more senior managers being asked to accept or directly taking on the mantle of sponsor, champion, leader or, even, 'reengineering czar' (Hammer and Champy, 1993). One of the primary roles of the champion is to gain and sustain people's buy-in to radical process orientation. Some proponents direct champions to adopt rational approaches to gain and sustain people's buy-in to radical process orientation, for example, by preparing and communicating a case for change (Carr and Johansson, 1995; Hammer and Champy, 1993). However, others criticise this rational approach for underplaying the organisation's social and political dimensions (Grint and Willcocks, 1995). They argue that people's buy-in to the drivers for change and implementation methods needs to be gained and sustained at the level of hearts and minds, and that rational approaches are inadequate (Buchanan, 1997; Kilmann, 1995; Smith and Willcocks, 1995). They suggest buy-in is obtained through political means.

2.5.5 People affected by the changes

Current research assumes organisational changes affect board members and senior managers less than middle managers and employees during the implementation of a radical process orientation initiative. Researchers argue that the major impact on board members and senior managers is that their role changes to one of leadership (Armistead and Rowland, 1996; Hammer and Champy, 1993). This role requires them to create conditions conducive to implementation (Bashein et al. 1994; Petrozzo and Stepper, 1994), and convince and persuade people to undertake radical change (Dixon et al. 1994; Grint and Willcocks, 1995). The argument in the existing literature is underpinned by an assumption that board members and senior managers are unlikely to be recipients of organisational changes, whereas middle managers and employees

are significantly and directly affected by the changes (Grint and Willcocks, 1995; Hammer and Champy, 1993).

Research shows that not everyone affected by radical process orientation may be willing to allow the changes to touch them (Grover et al. 1995; Smith and Willcocks, 1995). A number of theorists adopt the view that people inherently resist change (Jaffe and Scott, 1998). Some people publicly express their resistance to change, while others remain silent, which makes it difficult to distinguish in advance, those people who are likely to resist organisational changes (Currie and Willcocks, 1996). The characteristics of people's resistance to change are well rehearsed in the literature. These include uncertainty, fear, anxiety, risk of criticism, scepticism, loss of status or authority or power, loss of employment, anger, and upheaval (Jaffe and Scott, 1998; Kilmann, 1995; Morris and Brandon, 1993; Stoddard et al. 1996). A consistent argument in the literature is that the greatest source of resistance is people most affected by the organisational changes brought about by radical process orientation, and consequently, middle managers and employees are singled out as likely to resist changes (Currie and Willcocks, 1996; Moss Kanter et al. 1992). Board members and senior managers are rarely identified as resisters to change due to the assumption that they are not affected by the changes. Yet, empirical evidence suggests that board members resist changes, which infers that they are likely to be affected by radical process orientation (Braganza and Myers, 1996).

2.5.6 Selecting the issues to be managed

The research relating to the issues managed to achieve radical process orientation falls within two classes: prescriptive models and generic actions (Motwani et al. 1998). The first, prescriptive models, are derived from a variety of sources including the distillation of consultancy company's proprietary methodologies (Kettinger and Teng, 1998), a review of the literature (Motwani et al. 1998), and anecdotal evidence (Davenport and Short, 1990). The models consist of a number of discrete stages and each stage contains implementation steps that organisations are expected to take to achieve radical process

orientation. These models tend to concentrate upon the steps necessary for the initiation of radical process orientation. In relation to implementation of the changes many models make a general recommendation that organisations should use change management techniques, but offer little guidance beyond that (see for example, Guha et al.'s (1993) Process Reengineering Life Cycle Methodology). The models often focus upon a particular issue such as culture (Kilmann, 1995), IT (Guha et al. 1993), or sociotechnical issues (Mumford, 1995; Terlaga, 1994), while neglecting or marginalising other issues.

The second class, generic actions that can lead to the achievement of radical process orientation, are presented as key success factors (Hall et al. 1994; Stoddard and Jarvenpaa, 1995), best practice (Ascari et al. 1995; Carr and Johansson, 1995), universal dangers, pitfalls and actions (Cardarelli et al. 1998), and lessons learnt (Caron et al. 1994). Researchers derive these factors from reviews of the literature (Ascari et al. 1995), consultancy company's proprietary methodologies (Bashein et al. 1994), surveys (Anon., 1994; Asamoah and Duncan, 1993), and field studies (Dixon et al. 1994; Earl et al. 1995).

The models and generic actions are criticised on three grounds. One, the models and actions are posited as being universally applicable to all organisational contexts. Buchanan's study (1997) of the use of some of the actions in a hospital setting is a compelling testament for not deploying certain actions without an appreciation of the context in which those actions are applied. The universality of the models and actions is contrary to the weight of other research, which reveals that context is an important variable to guide action (Pettigrew and Whipp, 1991). Two, a comparison of the models and actions identified surfaces conflicting and confusing messages (Braganza and Myers, 1996). Three, the models and actions are presented as being of equal importance and having similar impact upon bringing about changes to organisational elements.

2.5.7 Mode of operationalising the issues to be managed

An area of consensus in the literature is that organisations should agree the issues they plan to manage to achieve radical process orientation (Motwani et al. 1998). However, the literature neglects to consider the mode of operationalising the issues to achieve radical process orientation (Jaffe and Scott, 1998). In fact, Stoddard and Jarvenpaa (1995) identify this as a major area of weakness in the literature and suggest that greater clarity is required.

What work does exist is polarised along two dimensions. One is the structured approach to, and the second relates to the nature of the mode of operationalising the issues to be managed that will change the organisational elements. The key arguments surrounding the structured approach debate are reviewed in the literature (Braganza and Myers, 1997). Essentially, those in favour of a structured approach suggest organisations develop a plan that breaks down each issue into a series of tasks. Each task is assigned to an individual or group who have the responsibility for completing their task within an agreed time period (Davenport, 1993; Kettinger et al. 1997). The tasks, people and dates can be represented in the form of a critical path to the achievement of radical process orientation (Morris and Brandon, 1993). However, others are disenchanted with such rational and structured modes of operationalisation (Hammer and Champy, 1993; Jaffe and Scott, 1998). A number of researchers argue for organisations to adopt an emergent approach for operationalising the issues, whereby agreement about each aspect of the approach is sought as the initiative progresses (Bashein et al. 1994; Hammer and Stanton, 1995; Hammer and Stanton, 1995). However, the emergent approach is beset by hazards that can lead to failure (Buchanan, 1997).

In terms of the nature of the mode, Hammer and Champy (1993) argued that the mode for operationalising the issues had to be radical. A number of researchers disagreed with their view (Davenport and Stoddard, 1994; Mumford, 1995). These and other researchers argue that organisations should design radical changes to process but that implementation should be evolutionary in nature, i.e. it conforms to the organisation's current situation (Stoddard and

Jarvenpaa, 1995). These researchers argue strongly in favour of an evolutionary mode for operationalising all the issues to be managed. The reasons that underpin the argument is a radical mode of operationalising will be perceived by people as being challenging or costly and hence they resist all changes (Carr and Johansson, 1995; Robey et al. 1995). Proponents of the evolutionary mode suggest that organisations should avoid operationalising the issues in a way that causes disruption, appears counter cultural, challenges the status quo, or interrupts current operations (Kettinger and Teng, 1998; Morris and Brandon, 1993; Petrozzo and Stepper, 1994; Stoddard and Jarvenpaa, 1995). This argument is unchallenged in the literature and, when scrutinised, reveals a crucial flaw at its core: an evolutionary mode of operationalising issues to be managed leads to adaptive radical process orientation, rather than radical process orientation (Currie and Willcocks, 1996).

2.5.8 Actual implementation of the issues

The transition from the selection of the issues to be managed to their actual implementation receives little research attention (Stoddard and Jarvenpaa, 1995). Instead the literature focuses upon identifying problems organisations face during implementation and tactics for overcoming these problems. By far, most of the problems can be traced to the social aspects of change (Kettinger et al. 1997). These problems manifest themselves as lack of commitment, especially the commitment of functional directors (Braganza and Myers, 1996), poor communication (Cardarelli et al. 1998), and an insensitivity to the political aspects of the proposed changes (Grint and Willcocks, 1995). Another, albeit less challenging, problem area surrounds the lack of know-how of radical process orientation and attendant management techniques, e.g. poor project management, project planning and information systems implementation expertise (Grover et al. 1998).

Broad swathes of tactics are proposed to overcome the social and know-how problems. The tactics for overcoming the social problems include clarifying the new work contract between the organisation and employees (Jaffe

and Scott, 1998); communication (Davenport, 1993; Motwani et al. 1998); making the implementation team personally accountable for the change (Cardarelli et al. 1998); persuading people to change (Kettinger and Teng, 1998); enrolling people through appeals to their heart and mind (Grint and Willcocks, 1995); and involving people in the design of the changes (Buchanan, 1997). The tactics for overcoming the know-how related problems include training people in the concepts and methods of radical process orientation (Bashein et al. 1994); achieving quick wins (Hall et al. 1994); employing consultants to compensate for skill shortages (Carr and Johansson, 1995) and involving information systems people from the outset of the initiative (Coleman et al. 1996). Others suggest harder tactics often with violent connotations, for example, Hammer is quoted as saying “on this journey we shoot dissenters” (Grint and Willcocks, 1995). These harder tactics are severely criticised for being uncaring towards people (Grey and Mitev, 1995; Jones, 1995).

The tactics have two notable weaknesses. One a closer examination of the tactics reveals a considerable overlap with the prescriptive models and generic actions discussed in the previous section (see for example, Bashein et al. 1994; Carr and Johansson, 1995; Hammer and Champy, 1993; Kettinger and Teng, 1998). Hence the tactics add few insights beyond those already identified by the prescriptive models and generic actions. Two, researchers present the tactics as a collection of actions from which organisations can select the ones they will deploy to address implementation problems. Alternatively, other researchers argue in great detail their rationale for suggesting particular tactics (Grint and Willcocks, 1995). However, neither group of researchers penetrates the reasons that underpin and explain why people actually implement the tactics for overcoming social and know-how problems.

2.5.9 Post implementation of radical process orientation

The achievement of radical process orientation is assessed on the basis of performance improvements being realised (Stoddard et al. 1996). Where anticipated significant performance improvements are realised, radical process orientation is said to be achieved; where performance improvements fall short of expectations, radical process orientation is deemed to have failed (Motwani et al. 1998). Organisations that achieve radical process orientation are advised to continuously improve, i.e. make adaptive changes to the processes. Different initiatives are proposed as ways of ensuring continuous improvements are made. These include total quality programmes or learning initiatives to avoid organisations reverting to their former state (Morris and Brandon, 1993; Robey et al. 1995). Organisations that have not achieved anticipated performance improvements are faced with a limited number of options. One, they can evaluate whether the improvements that have been achieved are sufficient in terms of the investment made and are politically acceptable (Currie and Willcocks, 1996). Where the benefits are acceptable, the organisation can make adaptive changes to improve gradually. Two, organisations reattempt the implementation of the changes to organisational elements (Motwani et al. 1998). Given the dearth of studies that have implemented radical process orientation, research into the situation after achievement is sparse.

2.5.10 Implementor and recipient roles

People involved with the achievement of radical process orientation are divided into two groups, namely implementors and recipients. Kettinger and Teng (1998) capture the roles people are expected to fulfil during the achievement of radical process orientation:

“... the smooth transition to a new organization including reorganization and staff reductions, team and employee selection, job rotation and employee training. Based on the new process design, new organizational structures and job assignments must be conveyed to the *affected employees* outlining their future roles and performance expectations. ... (such) dramatic changes during this step will cause anxiety that must be

addressed by continual communication between top management, the regeneration team, and *employees*” (p. 104; italics added).

They clearly demarcate the roles of top management and the regeneration team from the role of employees: the role of top management and the regeneration team is to design the changes and be responsible for implementing the changes; whereas employees receive the changes. The literature is concerned mainly with gaining the perspective of implementors (Earl et al. 1995; Hammer and Champy, 1993; Prokesch, 1997; Robey et al. 1995). The recipients’ views are rarely gathered. Therefore, many of the extant models and actions are developed without the input of the recipients.

The demarcation of roles is prevalent in the change management literature as well. Organisational change typically involves two groups: implementors and recipients. Implementors consist of the organisation’s leaders, such as the chief executive, managing director and top management, and people responsible for achieving the changes. The board members are initiators and conceptualisers of the changes (Moss Kanter et al. 1992). Recipients are at the “bottom of the organization” (Moss Kanter et al. 1992 p. 16) and are distant from the implementors. Change recipients “represent the largest group of people that must adopt, and adapt to, change” (Moss Kanter et al. 1992 p. 379). In other words, people at the middle and bottom, but not those at the top, of the organisation experience the changes.

A recurring issue in existing prescriptive models and generic actions is to select and create a cross functional team that is responsible and accountable for the achievement of radical process orientation (Hammer and Champy, 1993; Kettinger and Teng, 1998; Kilmann, 1995). The team is given various labels: reengineering project team (Motwani et al. 1998), regeneration team (Kettinger and Teng, 1998), BPR team (Carr and Johansson, 1995), and change team (Morris and Brandon, 1993). The team members are drawn from the organisation and led by a senior member of the management team. While external consultants may be used, control over the team’s activities rests with the organisation (Carr and Johansson, 1995; Dixon et al. 1994; Earl et al. 1995; Guha et al. 1993). The characteristics of an effective team include

understanding the technical aspects of radical process orientation such as process modelling as well as political skills (Buchanan, 1997; Grint and Willcocks, 1995) and IT skills (Grover et al. 1993). According to many proponents, this team carries out the implementation steps within the prescriptive models discussed earlier. Team members adopt the role of implementors while others in the organisation are recipients of the changes. Hence, the underlying argument in the literature is for a distinction to be made between the roles of the implementors and recipients.

2.6 An initial conceptual model for the achievement of radical process orientation

The initial model takes the form of conceptual ‘bins’ (Miles and Huberman, 1994) that contain the concepts that are of central importance to a piece of research (Golden-Biddle and Locke, 1997; Huberman and Miles, 1994; Janesick, 1994; Marshall and Rossman, 1989; Yin, 1989). The conceptual bins for this research are an intellectual representation of the conceptual categories derived from the literature that will be explored further, refined by empirical data collected, and analysed from an interpretive perspective.

The conceptual category, ‘rationale for radical process orientation’, suggests that the achievement of radical process orientation requires organisations to identify the reasons for initiation. These could be in response to threats facing the organisation. Alternatively, organisations may have identified opportunities to improve their competitive position and initiate radical process orientation to exploit these opportunities. The conceptual category, ‘choice of change initiatives’, suggests that when faced by drivers for change, organisations have to choose from a range of change initiatives, one of which is radical process orientation. However, the basis for selecting or rejecting radical process orientation is unclear. Hence, current understanding of the initiation of radical process orientation is unclear. The conceptual categories, ‘rationale for radical process orientation’ and ‘choice of change initiatives’, suggest the creation of the conceptual bin labelled *commencement*.

The conceptual category namely, 'nature and content of the changes experienced' reveals that there is lack clarity in the literature, as organisations face competing and contradictory advice. The conceptual category, 'gaining and sustaining buy-in', is considered important to the achievement of radical process orientation. However, the means, whether rational or political, by which buy-in is secured throughout the implementation of radical process orientation is unclear. The conceptual category, 'people affected by the changes', represent, the source of greatest resistance and, as resistance to change is identified as one of the biggest barriers to the achievement of radical process orientation, ensuring all sources are identified enables resistance to change to be minimised. Hence, the three conceptual categories, 'nature and content of changes experienced', 'gaining and sustaining buy-in', and 'people affected by the changes', reveal a common theme namely, the changes that take place during the achievement of radical process orientation. These three categories congeal to form the conceptual bin labelled *changes that occurred*.

The conceptual category, 'selecting the issues to be managed', shows that organisations face a choice between utilising a prescriptive model or picking from a plethora of generic actions. As both options have been shown to have critical deficiencies, gaining a better understanding of the selection of the factors that will be managed is important to the achievement of radical process orientation. The conceptual category, 'mode of operationalising the issues to be managed', is polarised on two dimensions: structured approach and nature. Organisations have to choose between a planned or emergent structure and a radical or evolutionary mode of operationalising the issues. There are significant risks associated with each option, not least the evolutionary mode, which leads to adaptive radical process orientation. The conceptual category, 'actual implementation of the issues', suggests that while the prescriptive models and generic actions are well documented, little is understood about the reasons that underpin why people in one organisation actually implement the issues that change organisational elements while other organisations shy away from actual implementation. Hence, penetrating the reasons that underpin actual implementation is considered essential to the achievement of radical process

orientation. The three conceptual categories, 'selecting the issues to be managed', 'mode of operationalising the issues to be managed', and 'actual implementation of the issues', have a unifying theme, namely issues that are managed to implement the changes. Hence, they inform the conceptual bin labelled *issues managed*.

The conceptual category 'post implementation of radical process orientation' suggests that implementation is achieved once significant performance improvements are realised. Having implemented radical process orientation, organisations are expected to make incremental improvements to the process. These improvements require the organisation to make adaptive changes. Where organisations initiate but only partially implement radical process orientation, current thinking suggests they redouble their effort and make further attempts to implement the residual changes. The initial model includes a conceptual bin that relates to the conceptual category 'post implementation of radical process orientation' to understand the consequences that follow once an organisation has implemented radical process orientation. This conceptual bin is labelled *effects of radical process orientation*.

The four conceptual bins form an initial conceptual model for achievement of radical process orientation. The conceptual model is exhibited in Figure 2.1. Two aspects of the model are noteworthy. One, implementors and recipients are shown as two separate groups, at the edges of the model, to reflect their demarcated roles discussed in the conceptual category, implementor and recipient roles. The recipient perspective is lacking 'spectacles' to indicate that the literature neglects gathering their view of radical process orientation. At the very outset of this research, it too focused upon collecting views of implementors. However, as discussed in greater detail in subsequent Chapters (3 & 4), as a result of the pilot study, this research seeks to ascertain their perspective on the achievement of radical process orientation. This dual perspective on the conceptual bins provides a rounded view of the achievement of radical process orientation. As discussed in the next chapter, recipient views are included following the pilot case study. The second is that the model's structure reflects its interpretive roots and draws on the interpretive radical

process orientation literature. Previous research in this paradigm suggests that the boundaries between the conceptual bins are likely to be indistinct. This stands in stark comparison with models developed in the functionalist paradigm, which show concepts to be discrete from each other, with clearly delineated boundaries and with arrows between the concepts to establish relationships and indicate that one concepts leads to another. Hence the initial model's conceptual bins are depicted with indistinct boundaries.

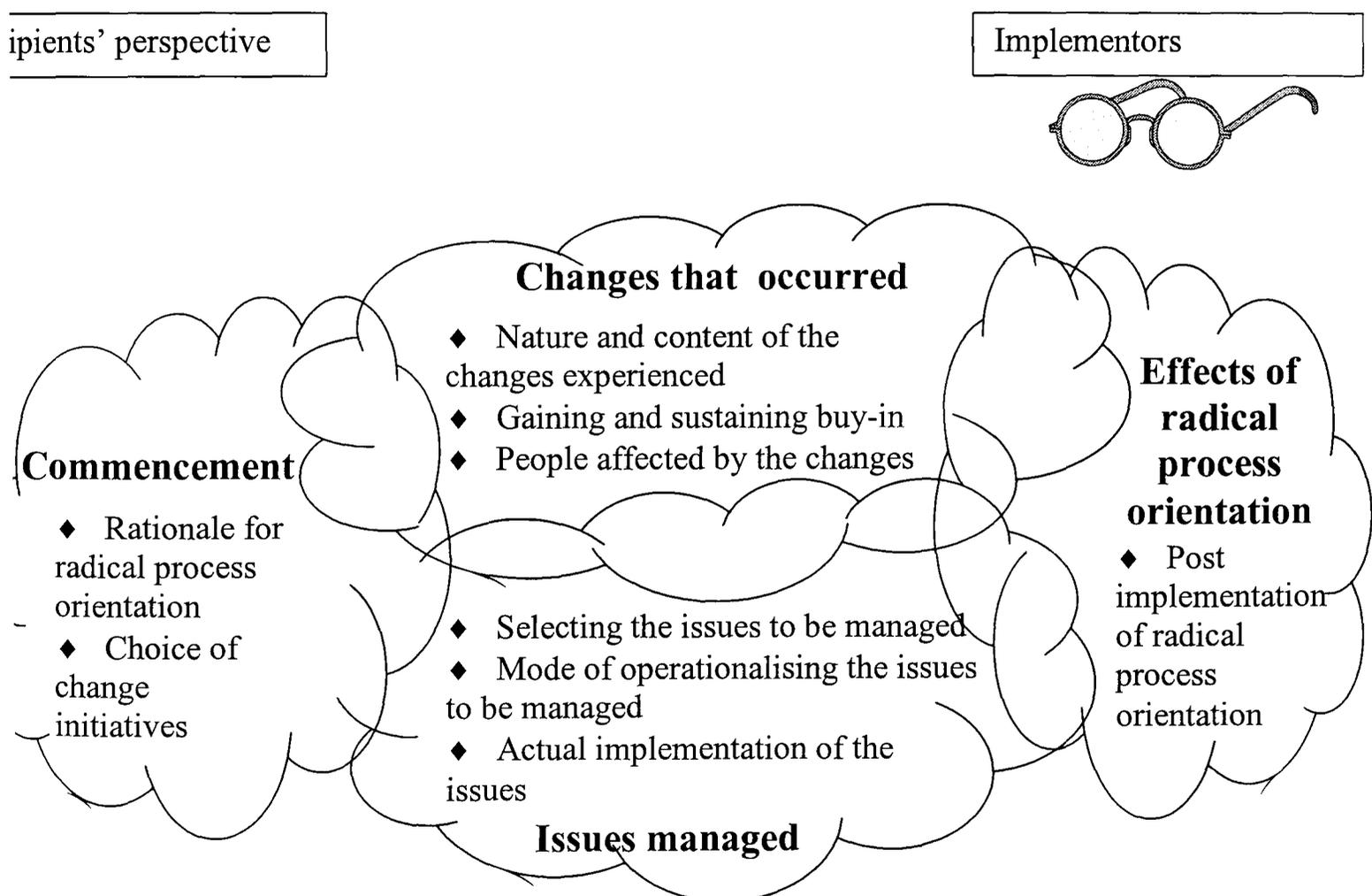


Figure 2.1: An initial conceptual model for the achievement of radical process orientation based upon the literature

2.7 Framing this study's research objective and question

The research objective and research question draws upon the analysis carried out in the previous sections, specifically this research's location in the interpretive paradigm, and the conceptual categories, and the initial conceptual model for the achievement of radical process orientation. This research's paradigmatic location and initial model frame its research objective, which is to develop an emergent model that explains the dynamics that underpin the achievement of radical process orientation. This research argues that these dynamics can be penetrated and analysed by studying the achievement of radical process orientation from an interpretive perspective.

This research's objective and argument leads to the following research question:

What do implementors and recipients of radical process orientation consider to be important to its achievement, i.e. initiation, implementation and consequences of implementation?

The research question implies that the following aspects of an organisation's process orientation initiative would be of particular interest:

- ◆ The business pressures faced by the organisation
- ◆ The views of implementors and recipients who directly experienced radical process orientation
- ◆ An exploration of the changes that occurred and the issues managed to achieve radical process orientation
- ◆ An understanding of the consequences of implementation
- ◆ An interpretation of the dynamics that enable organisations to remain radical during the implementation phase.

2.8 Chapter summary

This chapter set out to achieve five aims. One, to examine the theoretical foundations of the current radical process orientation literature. Two, to locate this work in a research paradigm so that its theoretical and intellectual foundations are consistent with the study of radical process orientation. The literature was analysed using the functionalist and interpretive paradigms, as defined by Burrell and Morgan (1979). This highlighted that a large part of the literature is functionalist in nature. This work was criticised as the underlying assumptions of the functionalist paradigm and the remoteness from the phenomenon enforced by positivist methods, prevent researchers from understanding the subtle and complex social interactions that are critical to achievement of radical process orientation. Hence, the functionalist paradigm is largely rejected by this research. The literature in the interpretive paradigm focuses upon radical initiation, frameworks for reaching consensus, and radical initiation and adaptive implementation. Research into the achievement of radical process orientation in this paradigm is scarce. The assumptions that underpin the interpretive paradigm allow researchers to gather pragmatic insights into the achievement of radical process orientation. Research undertaken in the interpretive paradigm is shown to lead to an understanding of the dynamics of the achievement of radical process orientation. Hence, this research is located in the interpretive paradigm.

Three, to analyse the literature in order to identify issues that are considered important to the achievement of radical process orientation, and from this analysis, to develop ten conceptual categories. Four, to develop an initial conceptual model for the achievement of radical process orientation. This model is based upon the conceptual categories identified in the literature. The conceptual categories and the related conceptual bin are summarised in Table 2.2 below. Five, to establish the research objective and research question.

| Conceptual category | Conceptual bin | Key references |
|--|--|--|
| Rationale for radical process orientation | Commencement | (Ascari et al. 1995; Buchanan, 1997; Dixon et al. 1994; Hamel and Prahalad, 1994; Teng et al. 1994a) |
| Choice of change initiatives | | (Ascari et al. 1995; Duck, 1993; Hammer and Champy, 1993; Keidel, 1994; Kettinger and Teng, 1998; O'Neill, 1994) |
| Content and nature of changes experienced | Changes that occurred | (Davenport and Nohria, 1994; Dixon et al. 1994; Gersick, 1991; Hall et al. 1994; Miller and Friesen, 1980; Tushman and Romanelli, 1985; Tushman et al. 1986; Tushman and O'Reilly III, 1996) |
| Gaining and sustaining buy-in | | (Anon., 1994; Bashein et al. 1994; Carr and Johansson, 1995; Dixon et al. 1994; Grint and Willcocks, 1995) |
| People affected by the changes | | (Currie and Willcocks, 1996; Grover et al. 1995; Jaffe and Scott, 1998; Kilmann, 1995; Morris and Brandon, 1993; Moss Kanter et al. 1992; Smith and Willcocks, 1995; Stoddard et al. 1996). |
| Selecting the issues to be managed | Issues managed | (Kettinger and Teng, 1998; Motwani et al. 1998; Ascari et al. 1995; Cardarelli et al. 1998; Davenport and Short, 1990; Guha et al. 1993; Kilmann, 1995; Mumford, 1995; Terlaga, 1994) |
| Mode of operationalising issues to be managed | | (Braganza and Myers, 1997; Buchanan, 1997; Kettinger et al. 1997; Stoddard et al. 1996) |
| Actual implementation of the issues | | (Bashein et al. 1994; Grey and Mitev, 1995; Grint and Willcocks, 1995; Grover et al. 1998; Jones, 1995; Kettinger and Teng, 1998) |
| Post implementation of radical process orientation | Effects of radical process orientation | (Cardarelli et al. 1998; Jarvenpaa and Stoddard, 1998; Kettinger and Teng, 1998; Morris and Brandon, 1993; Motwani et al. 1998; Robey et al. 1995) |
| Implementor and recipient roles | | (Moss Kanter et al. 1992; Carr and Johansson, 1995; Earl et al. 1995; Hammer and Champy, 1993; Kettinger and Teng, 1998; Kilmann, 1995) |

Table 2.2: A summary of the conceptual categories and the conceptual bins derived from the categories

The next chapter takes as its starting point the location of this research in the interpretive paradigm, and delves into a greater level of detail relating to this research's intellectual and theoretical foundations. It establishes the design and conduct of the methodology utilised to fulfil the research objective and address the research question.

Chapter 3 Research methodology: design and implementation

3.1 Chapter introduction

Based on an analysis of the current literature, this research into the achievement of radical process orientation is located in the interpretive paradigm. Attention now turns to the research methodology to be used in this study. The chapter examines this research's design in terms of its intellectual foundations within the interpretive paradigm, and the case study design that aligns with these foundations. The operationalisation of the case study design is also examined. The findings from the pilot study, insofar as these affect the methodological and theoretical aspects of this research, are discussed.

Four sections follow this introduction. The next section explores the design of this research, its choice of intellectual underpinnings and the rationale for eliminating other approaches. The conceptual design of the case study approach for this research is also examined. This section also examines the rationale for conducting a pilot study. The third section examines the operationalisation of the case study design to demonstrate that the conceptual design was adhered to. Next the pilot study findings are discussed in terms of its implications upon methodological and theoretical considerations. The chapter closes with a summary and a glimpse into chapter 4.

3.2 Research design

3.2.1 Theoretical considerations

3.2.1 (i) This research's intellectual underpinnings

This study is interpretive in nature. Within the interpretive paradigm there are several schools of thought, one of which is phenomenology (Burrell and Morgan, 1979). Phenomenology is concerned with understanding the social world that is lived by people (Easterby-Smith et al. 1991). Phenomenology uses people's actions as a starting point for research, and consequently, the description of the actions is crucial (Blaikie, 1995; Burrell and Morgan, 1979). It also treats reality as a social construction created by people, and hence aims to tease out meanings people ascribe to their actions. As this research is concerned with interpreting people's actions to build theory, phenomenology provides a theoretical underpinning for this work. Theorists in the phenomenological tradition, including Schutz (1967), Pettigrew (1985) and Silverman (1985), have developed approaches to study people in their social setting. This research is guided by Schutz's (1967) approach.

Schutz's work is based largely upon that of Weber (Burrell and Morgan, 1979). Schutz agreed with Weber's position that the social sciences are interpretive in nature, that is, the essence is to understand the subjective meanings of people. However, Schutz departed from Weber's work in one important respect (Burrell and Morgan, 1979). Weber treated the meanings people attributed to experiences as equivalent to the meanings social scientists attributed to the same experiences. According to Schutz, Weber assumed two things: first, that the social scientist's interpretation of the experience was an adequate basis upon which to attribute meaning. Second, that there would be no differences between the individual's and the social scientist's interpretations. Schutz rejected these assumptions, and set out to develop an approach that ensured primacy of the individual's meaning of the experiences encountered in a social setting (Burrell and Morgan, 1979). Schutz's central thesis is that

meaning arises when people attempt to make sense of experiences they encounter and come to terms with them (Layder, 1994).

Schutz (1967) distinguishes between three types of meaning: the meaning the person *works with* while experiences are taking place; the meaning the person *attributes* to experiences after they are completed; and the meaning *attributed* to experiences by a researcher (Blaikie, 1995 italics in original p. 42). The meaning attributed to an experience relies upon the person turning back on him or herself to understand what has been going on. According to Burrell and Morgan, Schutz argues that “only the already-experienced is meaningful, not that which is in the process of being experienced” (Burrell and Morgan, 1979 p. 244). Schutz posits that to raise an experience to the level of being meaningful requires the individual to turn back on that past experience, and bring to bear upon it reflection, recognition and identification (Schutz, 1967). Schutz suggests that only the person who has lived through an experience can reflect upon it and give meaning to the experience. In other words, people attach meaning to experiences retrospectively (Burrell and Morgan, 1979). Researchers, Schutz argues, do not have first hand knowledge of the experience. Hence, it is inappropriate for the researcher to attribute meaning to the experience. According to Schutz, the meanings ascribed to an experience by people other than the person who lived through it, should be relegated to second place (Blaikie, 1995). Schutz (1967) reinforces the point by stating:

“If I (the actor) call one of these experiences meaningful it is only because, in taking heed of it, I have ‘selected it out’ of and distinguished it from the abundance of experiences coexisting with it, preceding it and following it” (Schutz, 1967 p. 41).

Schutz makes it clear that researchers are unlikely to gain insights into experiences that people consider meaningful without asking them directly (Burrell and Morgan, 1979)⁸. He refers to the reflections of people directly involved with a phenomenon as first order constructs. In other words, first order constructs are the experiences people consider meaningful in relation to the

⁸ For instance, where the researcher acts as an observer or takes a positivist stance.

phenomenon being studied. These first order constructs take the form of interview data (Blaikie, 1995). Researchers interpret the first order constructs to form second order constructs, that is constructs of the constructs of the people on the social scene (Schutz 1967). Second order constructs form the basis for developing theoretical propositions (Blaikie, 1995; Burrell and Morgan, 1979).

Schutz's work guides this research in two ways. First, it provides a theoretical foundation that supports the interpretation of interview data provided by people directly involved with the achievement of radical process orientation. Second, his work also acts as a methodical bridge between the data people provide and the meaning this researcher attributes to those data. This bridge enables this research to generate theoretical propositions about the achievement of radical process orientation (Blaikie, 1995).

3.2.1 (ii) Eliminating competing interpretive approaches

Other theorists have developed alternative approaches in the interpretive paradigm (Burrell and Morgan, 1979). Pettigrew's (1985) approach consists of understanding three issues when analysing organisational change: context, content, and process of the change. This contextualist analytical framework is grounded in the perspective that organisations are basically political systems. According to Greenwood and Hinings (1996), Pettigrew's approach is better suited to the study of organisational change which culminates in adaptive change over an extended period of time (Greenwood and Hinings, 1996). Adaptive process orientation falls outside this research's boundary, and therefore basing this research upon only Pettigrew's framework is inappropriate. Nonetheless, the methodological design of this research ensures the contextual, content and implementation of change is considered.

Another approach within the interpretive paradigm is ethnomethodology. This approach focuses upon the detailed study of the world of everyday life. Ethnomethodologists are concerned with the way in which people order and make sense of their everyday activities within the social contexts in which they find themselves. Typically researchers get 'inside' a situation by 'going native'

(Silverman, 1985; Silverman, 1993). To study radical process orientation, ethnomethodologists endeavour to observe its achievement in a local setting as it unfolds over time. Ethnomethodologists may consciously disrupt or question people's underlying taken-for-granted assumptions in order to reveal how people go about seeing, describing and explaining their social world. Such a study would provide rich insights into the achievement of radical process orientation. However, this approach also poses a large degree of risk to a study concerned with examining the achievement of radical process orientation. The risks are, for example, the initiative could cease half way through the research study or the initiative could veer towards an adaptive process orientation (Currie and Willcocks, 1996). These risks are outside a researcher's sphere of control and cannot be mitigated once the organisation's management team decides to take either choice. The reasons for either risk materialising are manifold: key people being replaced or moving jobs, or funding being withdrawn. The effect of a radical process orientation initiative being stopped half way through implementation, upon research whose central focus *is* the initiation and implementation of radical process orientation, is to cease any further research in that organisation. The time spent in the organisation would be wasted and the data collected would have to be discarded. Hence, for pragmatic reasons, an ethnomethodology approach is not pursued.

Action research is another method available to researchers in the interpretive paradigm (Susman and Evered, 1978). Action research is a cognitive process rooted in the social interaction between researchers and actors in their surroundings (Baskerville and Wood-Harper, 1998). Researchers undertaking action research act as participant observer, i.e. the researcher is an integral part of the social event, often intervening to simulate change (Avison and Wood-Harper, 1990). These interventions, in an action research context, are characterised as a stimulus and response in relation to social events. Action research focuses on social events, especially the changed state framed by the stimuli-reaction surrounding the event. Based on an extensive review of the action research and social sciences literature, Baskerville and Wood-Harper identify seven characteristics that must be present to underpin the validity of

action research. These are (1) The research should be set in a multivariate social situation; (2) The observations recorded and analysed in an interpretive frame; (3) There was researcher action that intervened in the research setting; (4) The method of data collection included participatory observation; (5) Changes to the social setting were studied; (6) The immediate problem in the research setting must have been resolved during the research; (7) The research should illuminate a theoretical framework that explains how the actions led to a favourable outcome (Baskerville and Wood-Harper, 1998).

For the purposes of this study, this set of criteria suggests a number of implications. One is that researchers should examine radical process orientation initiatives as they unfold. This would leave researchers open to the risk of analysing a situation, which begins as radical process orientation and yet results in the achievement of adaptive process orientation. This outcome may be due to circumstances beyond the control of the researcher. This would frustrate a research project that sets out to study radical process orientation. Moreover, researchers adopting an action research method are expected to intervene in the achievement of radical process orientation as it proceeds and ensure a favourable outcome. This requirement places onerous conditions on researchers, especially in terms of time taken to achieve radical process orientation and the consequent delays in order to assess the outcome. Hence, an action research approach was considered inappropriate for the purpose of this study's research objective.

Grounded theory emerged in the late 1960's as a push back to the ascendancy of positivist approaches. The architects of grounded theory, Glaser and Strauss, were concerned that researchers placed too much emphasis on measuring and testing theories, while insufficient attention was being given to the generation of the theories being tested (Glaser and Strauss, 1968). Their original work contributed to the generation of theories, grounded in data, through an inductive process of analysis. They argued that this approach produced theories whose concepts and categories were relevant, appropriate and able to explain and predict the phenomenon being studied. A critical part of grounded theory is constant comparative analysis, which is a technique for developing conceptual categories and their properties from the data. While it is

possible to use conceptual categories that exist in the literature, grounded theory is best applied to the generation of new categories (Blaikie, 1995; Glaser and Strauss, 1968). The constant comparative analysis technique leads to the development of two types of theories. Substantive theories evolve from the study of an empirical phenomenon in one particular context and is related to specific social processes (Blaikie, 1995; Strauss and Corbin, 1990). Formal theories emerge from the study of a conceptual phenomenon in different situations. Formal theories are more generalisable than substantive theories (Strauss and Corbin, 1990).

The grounded theory method makes little reference to the intellectual underpinnings of the interpretive paradigm (Blaikie, 1995). Recent developments in the grounded theory method place increased emphasis on applying scientific criteria such as repeatability to validate qualitative research (Strauss and Corbin, 1990) suggests that grounded theory is better classified as post-positivist rather than interpretive in nature (Denzin and Lincoln, 1994; Hughes and Wood-Harper, 1999). While a post-positivist perspective recognises multiple realities and researcher interpretations (Miles and Huberman, 1994), grounded theory concepts are not explicitly derived from lay language. Instead concepts are developed from labels constructed to create categories to organise the data (Blaikie, 1995). The grounded theory method is considered inappropriate to this research, which uses lay descriptions to develop conceptual categories developed from the literature.

Hermeneutics is concerned with understanding the hidden meanings contained in texts, especially the interpretation of historical social life. A central tenet of hermeneutics is that understanding is circular (Palmer, 1969). The circularity of understanding is the movement from the 'whole' phenomenon to its constituent 'parts' and back to the whole. Palmer explains the circularity as follows:

“We understand the meaning of an individual word by seeing it in reference to the whole of the sentence; and reciprocally, the sentence's meaning as a whole is dependent on the meaning of individual words. By extension, an individual concept derives its meaning from a context or horizon within which it stands; yet the horizon is made up of the very elements to which it gives meaning ... (through) interaction between the

whole and the part, each gives the other meaning; understanding is circular” (Palmer, 1969 p. 87).

Theorists also argue that the hermeneutic method can be applied to understanding and describing social phenomenon (Blaikie, 1995). Such studies involve the exploration of social situations based upon hermeneutic methods and assumptions (Butler, 1998). Researchers taking a hermeneutic approach endeavour to read and understand social actions as texts. This involves analysing and interpreting the internal processes of the social actor’s mind to discover what the person knew while they undertook the action (Burrell and Morgan, 1979). This has led to a paucity of studies being undertaken in the hermeneutic tradition. While some theorists attempted to develop objective hermeneutic methods notably Dilthey, others such as Heidegger and Gadamer consider hermeneutics as a philosophical exploration of all understanding and regard objectivity as impossible (Blaikie, 1995).

The hermeneutic tradition is inappropriate to this research for two reasons. The first relates to the misalignment between this research’s objectives and the hermeneutic method, which is to analyse and interpret people’s thoughts (Butler, 1998) and mental processes (Burrell and Morgan, 1979). The second reason is pragmatic in nature. The research methods to gather and analyse data in the hermeneutic tradition are insufficiently developed.

3.2.2 Conceptual design of this research’s case study approach

3.2.2 (i) Rationale and design considerations

The case study approach supports research that is located in the interpretive paradigm, and that is exploratory and theory building in nature. Five aspects are critical to designing case studies that lead to robust theories (Eisenhardt, 1989; Janesick, 1994). These are, namely, theoretical criteria for identifying the unit of analysis, choosing a basis for constructing a sample, choosing data collection techniques, identifying people to be interviewed, and

establishing a trail of evidence from data collected to the theory that is developed. The design considerations of these five aspects are examined next.

3.2.2 (ii) Theoretical criteria for identifying the unit of analysis

A central concern of the case study approach is the identification of the unit of analysis or 'case' to be studied (Miles and Huberman, 1994; Yin, 1989). The case may be an individual, a group of individuals, or a phenomenon (Stake, 1995; Yin, 1989). The case places a boundary around the specific concepts to be studied. It is incumbent upon researchers to specify the case in their particular study. Leading theorists suggest that where the focal point of the research is a phenomenon, it can be specified by theoretical criteria (Eisenhardt, 1989; Erickson, 1986; Stake, 1994). Stake (1994) explains that whereas doctors and social workers receive their cases, researchers studying a phenomenon are regularly required to choose their case. Understanding the central phenomenon therefore depends upon choosing the case well and this choice is made on the basis of criteria that represent the phenomenon. Stake (1994) illustrates his point by using an imaginary study into hostage taking. Criteria used to frame the choice of cases to be studied, i.e. hostages to be interviewed might include hostages that are strangers to the kidnappers, hostage taking that is accompanied by a criminal act, and where the purpose of the hostage taking was refuge. These criteria define the cases, i.e. individuals to be selected for study. The criteria also rule out certain individuals, e.g. where a father takes his own child as a hostage.

Three theoretical criteria circumscribe the case to be included in this research for the achievement of radical process orientation.

Theoretical criteria 1 - Business process orientation: the organisation must have designed and implemented a business process which is conceptualised to be activities that are integrated, across different functions, to create outputs that are valued by one or more external stakeholder (Crowston, 1997; Edwards, 1994; Grover et al. 1995; Hammer and Champy, 1993). Hence,

this study is concerned with organisations that have completed a business process orientation initiative.

Theoretical criteria 2 - Radical organisational change: Tushman and Romanelli (1985) and Tushman et al. (1986) are among some of the leading interpretive theorists in the area of radical organisational change. Tushman et al. (1986) identify changes to five organisational elements that constitute a radical organisational change. The five organisational elements are:

- ◆ Changes to one or more of the core values that the organisation considers important
- ◆ Power and status are redistributed
- ◆ Structure, systems, and procedures are changed
- ◆ Interactions between people are changed, as people take on new roles and responsibilities
- ◆ New executives are usually brought into the organisation

It should be noted that Tushman et al. (1986) are silent about whether or not all five elements have to change or if a change to a subset of the elements would be considered a radical change.

Theoretical criteria 3 - Business process is operational for a period of time: This theoretical criterion is included to establish that organisations completed business process orientation and that the redesigned process must be the accepted way of working (Earl et al. 1995). This criterion ensures that implementors and recipients have some time to assimilate their experiences during the initiation and implementation of radical process orientation, so that they can reflect upon and make sense of their experiences (Schutz, 1967).

3.2.2 (iii) Choosing a basis for constructing a sample

Many qualitative research studies focus upon only one case, often a single individual or event. Research design theorists suggest that a single case

study leads to vivid theories when the chosen case is unique or revelatory (Miles and Huberman, 1994; Yin, 1989). These theorists argue that where the chosen case is not unique or revelatory, more defensible theories can be built by studying more than one case. Interpretive researchers need to consider the basis upon which they determine the number of cases to be included in the research. Eisenhardt (1989) argues that theories developed from case studies rely on a theoretical sampling strategy, and not statistical sampling logic. One strategy for creating a theoretical sample is to select cases that reflect maximum variations or extreme situations, for example, instances of success and failure. The maximum variation in relation to this research is the examination of non-achievement of radical process orientation (Miles and Huberman, 1994). Researchers have published studies of organisations that have not achieved radical process orientation (Currie and Willcocks, 1996; Davenport and Stoddard, 1994; Stoddard et al. 1996). These studies were possible by default rather than by design. To explain, these researchers were conducting longitudinal studies into the achievement of radical process orientation. However, managers in the organisation did not carry through the planned radical process orientation, thus, by default, these researchers were able to report instances of non-achievement.

The strategy for the construction of a theoretical sample, that is relevant to this research, is to choose purposefully a small number of cases in settings that fulfil the pre-defined theoretical criteria that circumscribe the case (Eisenhardt, 1989; Kuzel, 1992; Miles and Huberman, 1994). The selection need not be a random sample from a population (Eisenhardt, 1989). Researchers begin by studying one case and further cases are studied to gather data to develop theory about the subject being investigated (Yin, 1989).

The focus of interpretive research is not to gather data from a mythical sample of case studies (Blaikie, 1995), and consequently, sample size, i.e. the number of cases, becomes significantly less relevant for interpretive research than for research rooted in the functionalist tradition (Yin, 1989). What is germane to interpretive research is that data collected and its analysis is consistent with the study's overall intellectual roots and the case being

researched. This consistency, Ward Schofield (1993) argues, is of primary importance to interpretive researchers conducting qualitative cases:

“The goal is *not* to produce a standardized set of results that any other careful researcher in the same situation or studying the same issues would have produced. Rather it is to produce a coherent and illuminating description of and perspective on a situation that is based on and consistent with detailed study of that situation.” (p. 202, italics in original).

3.2.2 (iv) Choosing data collection techniques

The case study approach has associated with it different types of data collection techniques. These include interviews, ethnography, and participant observation (Yin, 1989). This research uses in-depth, semi-structured interviews as the primary technique for data collection (Berg, 1989; Erickson, 1986). The interviews were taped and transcribed. In addition to the interview data, internal and external documents, such as plans, charts, internal newsletters and industry and contemporary newspaper reports form an integral part of the data set for this research.

The other techniques, ethnography and participant observation, involve researchers ‘going native’, often immersing themselves in the phenomenon being studied, and influencing developments either directly or indirectly by their very presence (Silverman, 1985). The interpretive perspective, suggested by Schutz, requires people directly involved with radical process orientation to provide their perspective and to reflect upon its achievement. Hence, techniques that are based intrinsically upon the researcher watching and observing radical process orientation unfold are inappropriate to this research.

The in-depth, semi-structured interview technique enables researchers to begin with a few lines of inquiry. Both the researcher and people being interviewed are allowed considerable freedom to alter the course of the discussion (Janesick, 1994). The use of in-depth, semi structured interviews enables researchers to enter quickly into a dialogue with individuals. A typical interview is conducted with the researcher introducing a topic, asking open ended questions about it, and then following up with probes (Berg, 1989) that

encourages people to reflect on the issues they have raised. Probes are also used to elaborate upon or elicit further information on aspects of the radical process orientation other people have raised or that have been observed by the researcher.

This case study design involves collecting data retrospectively from people. Hence, data quality depends upon the honesty of those people (Marshall and Rossman, 1989). Problems associated with collecting data relating to past events include: (a) people deliberately falsifying their account of events (Marshall and Rossman, 1989), (b) people hiding things from the interviewer so to avoid embarrassment, e.g. errors or things they are ashamed of (Tuchman, 1994), (c) people forgetting things that happened, or (d) justifying actions retrospectively (Tuchman, 1994).

These problems can rarely be overcome completely. However, these problems can be minimised (Fontana and Frey, 1994) by adopting certain tactics. First, by triangulating data collected from a variety of sources, such as internal reports and other documents to verify interview data (Denzin and Lincoln, 1994; Fontana and Frey, 1994). There are three types of triangulation (Denzin, 1970). Theoretical triangulation uses different means for analysing the same data. Data triangulation gathers observations and data from several sources. Methodological triangulation uses different methods to collect data about the same phenomenon. Denzin (1970) argues that each type of triangulation can be used independently. This research utilises data triangulation. This type of triangulation, in the context of interpretive research, requires researchers to gather data from several sources. This is exemplified by gathering data from many respondents (Stake, 1995), internal documents such as presentations, and external reports, e.g. industry reports (Fontana and Frey, 1994). Second, by gaining corroborative data from several reliable primary sources of data, i.e. others directly involved in the phenomenon being studied (Tuchman, 1994).

3.2.2 (v) Identifying people to be interviewed

The basis of selecting people to be interviewed should align with a study's theoretical underpinnings (Yin, 1989), consequently, the primary source of interview data is people in roles that were actively involved with and had direct experience of the phenomenon being explored (Blaikie, 1995; Schutz, 1967). Much of the current process orientation research focuses upon gaining the perspective of internal stakeholders, i.e. people in the organisation. Typically these stakeholders are in implementor roles such as senior executives, strategic planning managers, information systems planners, and process orientation team members (Caron et al. 1994; Earl et al. 1995; Stoddard et al. 1996). A negligible number of extant studies seek the views of internal stakeholders who are recipients of radical process orientation (Currie and Willcocks, 1996). The views of external stakeholders, e.g. customers and suppliers, are also rarely gathered in the literature.

This research is concerned with understanding the achievement of radical process orientation from the perspective of people who were actively involved and with direct experience of its initiation and implementation. The people that match this profile most closely are likely to be internal stakeholders. Taking its lead from the process orientation literature, this research began by collecting data from implementors only. However, as discussed later in this chapter, recipients were included as a result of the pilot study. Hence, this research gathers the views of people in implementor and recipient roles. Consequently, from the case study design perspective, the basis of selecting implementors and recipients is that their roles had direct involvement in the initiation and implementation of radical process orientation. For the purposes of this research, the implementor roles include four groups namely, directors responsible for process orientation, people responsible for IT, process orientation team leader, and process orientation team member. The recipient roles include two groups namely, line managers and staff. The number of potential recipients that can be interviewed at managerial and staff levels is much greater than at senior management levels, e.g. there is only one managing director in an organisation

and over a hundred line managers. Hence, this research follows the advice provided by (Taylor and Bodgan, 1984), which is to select at least one person from each group, and expand outwards as necessary. Stakeholders that were passively involved and who did not have direct experience of the changes are excluded from this study. Two groups are prominent in this category. One, internal stakeholders, i.e. employees in the organisation that were unaffected by the radical process orientation initiative. Two, external stakeholders because although they were beneficiaries of the changes they were also peripheral to the changes associated with radical process orientation.

3.2.2 (vi) Establishing a trail of evidence from data collected to theoretical propositions

Interpretive research is criticised because of the chasm that separates data from theoretical propositions (Eisenhardt, 1989). Hence, establishing a credible trail of evidence, between data collected and theoretical propositions, is a critical aspect of case study design. Yet, the fabric for building theoretical propositions from lay descriptions of social life is a largely neglected area (Blaikie, 1995), and for which there is no standard format of data analysis (Eisenhardt, 1989).

One framework, for designing a trail of evidence for multiple case studies, suggests researchers analyse the data for each case and prepare a report that contains the interpreted results for that case. Researchers then synthesise these results across the cases, and from this synthesis derive theoretical propositions (Yin, 1989). However, researchers still have to choose the technique by which the data for each case is to be analysed. The technique for data analysis should dovetail with the research's theoretical underpinnings (Blaikie, 1995). Hence, this research uses Schutz's notion of first order and second order constructs to analyse the data from each case (Blaikie, 1995; Burrell and Morgan, 1979). Figure 3.1 is an overview of the data analysis trail of evidence, based upon within case analysis, first and second order constructs lead to cross case synthesis and theoretical propositions. First order constructs are experiences people directly involved with the phenomenon under

investigation consider meaningful. First order constructs, in the context of this research, are what people directly involved with radical process orientation consider important to its achievement. Second order constructs represent the researcher's interpretation of the first order constructs.

Second order constructs serve two roles: one, to analyse the cases being studied (Blaikie, 1995), and the other is to build theory (Eisenhardt, 1989). Building theory from second order constructs requires researchers to compare these to the concepts that are central to the research (Yin, 1989). This comparison may lead to changes in the initial concepts, which can be replicated in later cases (Stake, 1994; Yin, 1989). For the purposes of this research, the initial model's conceptual bins are used as an analytical framework for developing second order constructs. Cross case synthesis involves conjoining the second order constructs that explain and develop the concepts identified at the beginning of this research (Blaikie, 1995). The conjoined second order constructs, when compared with extant theories, lead to the identification of a theoretical proposition (Blaikie, 1995; Eisenhardt, 1989; Yin, 1989). The use of first order and second order constructs strengthens theory building research by making the data and its interpretation open, accessible and transparent, thus overcoming criticisms of the case study approach (Burrell and Morgan, 1979).

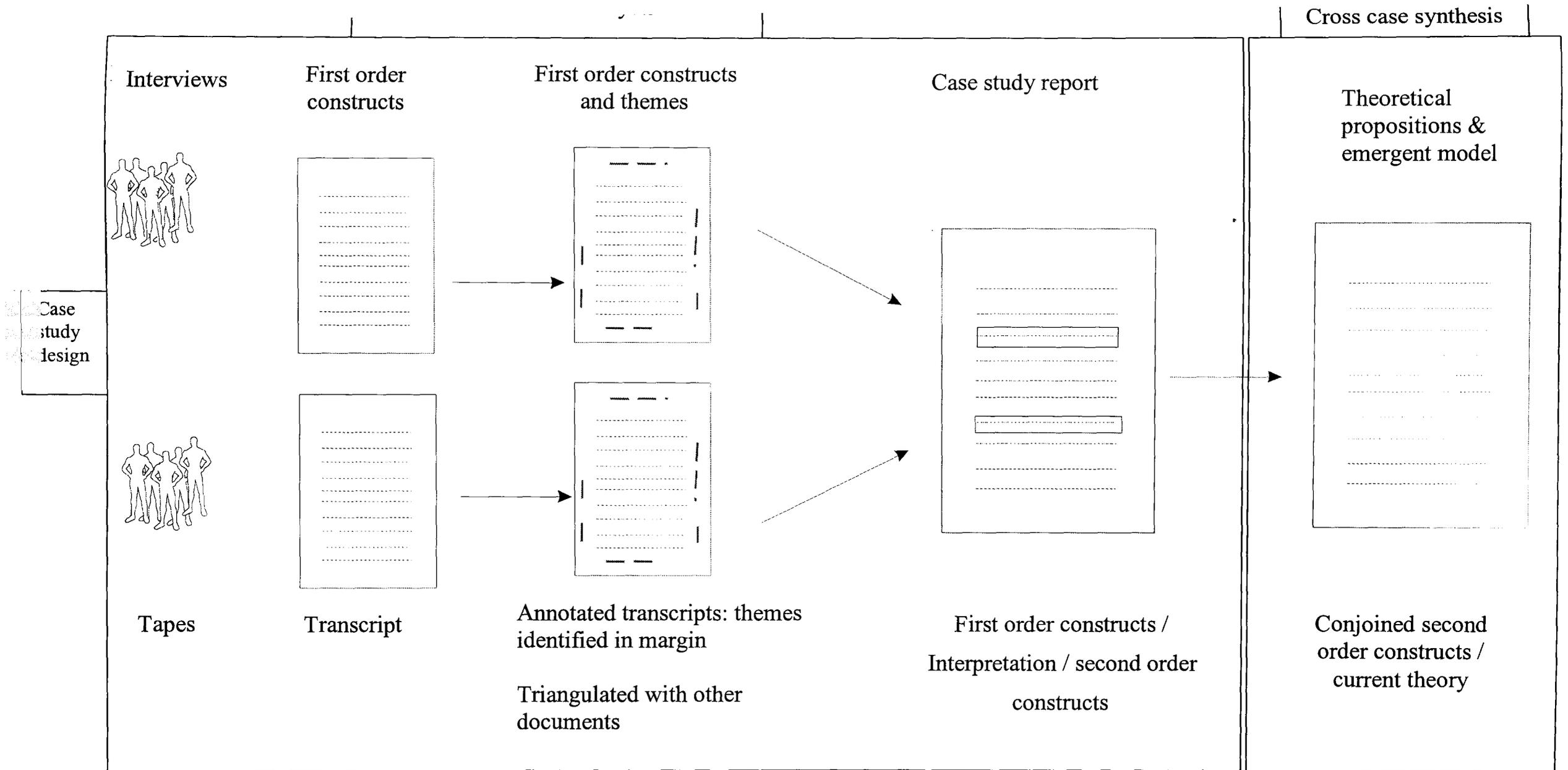


Figure 3.1: From lay descriptions to theoretical propositions: A visible trail of evidence

The key danger facing researchers when interpreting data is that they stray too far from the first order constructs and hence reduce the reliability of the theory developed. The way in which researchers can overcome this danger and ensure reliability is by making sure their interpretation is consistent with the people's perspective contained in the first order constructs (Schutz, 1967).

Critics of the case study approach also claim that theories derived from case studies cannot be generalised on the grounds that individual cases are not representative and there is an insufficient sample size from which to draw statistically meaningful results. Researchers using other methods such as surveys assert that their methods lead to generalisable theories. Yin (1989) argues that it is possible to generalise from survey-based methods, as inferences can be drawn “about a population (or universe) on the basis of empirical data collected about a sample” (p. 38) from that population. Researchers using the survey method generalise their results on the basis of gathering large amounts of data to which they apply statistical analysis. However, statistical generalisation is based upon sampling logic that is wholly inconsistent with the qualitative case study approach. According to Walsham (1993) generalisability from case studies is possible but not on the basis of a representative sample drawn from a population. He states that:

“From an interpretive position, the validity of an extrapolation from an individual case or cases depends not on the representativeness of such cases in a statistical sense, but on the plausibility and cogency of the logical reasoning used in describing the results from the cases, and in drawing conclusions from them.” (p. 15).

The trail of evidence set out above ensures the plausibility and cogency of the results derived by this case design and, hence, overcomes the criticisms in terms of generalisation from the case study approach.

3.2.3 Rationale for the pilot study

A pilot study enables researchers to check for inadequacies in the case study design (Yin, 1989). This is achieved by conducting the pilot study using

each aspect of the design. The pilot enables researchers to test whether or not the theoretical criteria that circumscribe the case are workable; the open ended questions can be assessed; and the data analysis techniques and the initial emergence of theory from the data can be probed. Where inadequacies in the design are identified, these can be rectified prior to further cases being undertaken.

3.3 Operationalising the case study design

3.3.1 Identifying the unit of analysis

The cases in this research are purely qualitative in nature. They were identified from three business process orientation symposia held at Cranfield School of Management between 1992-1995. Managers from about forty organisations presented their organisation's achievements in business process orientation. This researcher listened to their presentations and drew up a short-list of seven organisations that claimed to have implemented radical process orientation. All seven organisations were approached to find out whether they had achieved what had been claimed and if they would be willing to participate in this research. Three out of seven organisations were either unwilling to participate or wanted to restrict the people that could be interviewed. One out of seven had overstated their achievement in the presentation. Three of the seven were willing to participate and provide unrestricted access to people.

The three are Financial Data Limited (pilot study), Carton Carrier Limited and Foundry Insurance Limited. Carton Carrier is a subsidiary of a large retailer that sells directly to consumers. Carton Carrier's primary business is the transportation of parcels to consumers' homes. Foundry Insurance is a subsidiary of one of the UK's largest composite insurance companies. Foundry Insurance's primary business is the inspection and insurance of large engineering and industrial plant and equipment. Financial Data designs, sells, and installs dealing systems for stocks and shares. They are a subsidiary of a global news agency. Prior to commencing the case studies, separate meetings

were held with Foundry Insurance's managing director, Carton Carrier's commercial director, and Financial Data's deputy managing director to establish that the theoretical criteria that circumscribe a case for the purposes of this research were satisfied.

Theoretical criteria 1: Business process orientation

Carton Carriers achieved, i.e. completed the initiation, implementation and post implementation phases in relation to the parcel delivery process. This process satisfies customers who expect their orders to be delivered to their homes in a consistent period of time. The parcel delivery process integrates thirteen activities across three functions. Foundry Insurance achieved, i.e. completed all three phases, in relation to the inspection process. This process ensures customers have up to date reports that show their plant and equipment complies with relevant statutory requirements. The inspection process integrates nine activities across four functions. Financial Data achieved the order fulfilment process. This process meets the needs of customers who require a new dealing system or an additional service to an existing dealing system. This process consists of fourteen activities in three functions. Table 3.1 summarises the salient features that show the three organisations comply with the theoretical criteria namely, business process orientation.

| Organisation | Carton Carrier | Foundry Insurance | Financial Data (pilot study) |
|------------------------------|---|---|--|
| Theoretical criteria | | | |
| Stakeholder focus | Customer | Customer | Customer |
| Activities integrated | Receive parcels from the warehouse Sort parcels Collate parcel manifest from sort centres to depots Trunk parcels to the depot Unload parcels at the depot Load them on the van Check the van maintenance Book out drivers Deliver parcels Record delivery details Manage returns Transfer delivery information Track parcels | Schedule inspection Visit site Inspect plant Write report Send report to HO to update records Update customer records Send report to customer Change policy Set and monitor technical standards | Follow up sales lead Obtain customer order Check order construction and enter on NIS Administrative checks Validate order content (technical perspective) Site survey Specify material requirements Consult service providers Complete order planning Confirm order with customer Commissioning or decommissioning product Prepare, confirm and send invoice to customer Receive payment Performance / progress reporting |
| Functions | Sort centre Trunking Depot operations | Customer services unit Field Engineers Administration Technical | Sales Business administration Technical |

Table 3.1: Compliance with theoretical criteria - business process orientation

Theoretical criteria 2: Radical organisational change

This theoretical criterion was circumscribed in terms of five organisational elements (Tushman et al. 1986). The concern at the beginning of this research was to identify whether or not the five organisational elements had changed. One of the weaknesses of Tushman et al.'s (1986) work is that it does not provide a measurement scheme to assess by what degree each organisational element has to change to constitute a radical change. Hence, it was not possible to measure radical change. Nonetheless, in an attempt to ensure that the change was radical, this research included organisations that had experienced changes in all the elements, even though this may not be strictly necessary (Miller and Friesen, 1980; Miller, 1982; Tushman et al. 1986). The changes identified in Table 3.2 show the changes against each organisational element in terms of 'From', i.e. prior to radical process orientation and 'To', i.e. post implementation of radical process orientation.

Theoretical criteria 3: Business process operational for a period of time

The reason for including this criterion was to ensure the cases studied were those where achievement of process orientation had taken place and the process had become the de facto way of working. This criterion was problematical to establish as the literature provides little guidance about what the time period should be. Several time periods were considered at the start of the work, including twelve to fifteen months from the process becoming operational. However, these time periods excluded all organisations as none were able to meet this criterion when this research started. Hence, the time period of six months from the process becoming operational was selected for pragmatic reasons. The directors for each organisation were asked in the preliminary discussion whether the redesigned business process was the accepted way in which the organisation worked for at least six months. They all confirmed that this was the case. For Carton Carrier it was about ten months, and for Foundry Insurance and Financial Data it was about nine months.

3.3.2 The basis for constructing a sample

The sample size for this research was derived from a theoretical sampling strategy. After conducting the pilot, further cases were undertaken to elicit first order constructs and second order constructs to develop this research's initial conceptual model. The cases in this research yielded over 400 first order constructs and 127 second order constructs.

The maximum variation sampling strategy, i.e. instances of non-achievement of radical process orientation, was not available to this research for one main reason: people were unwilling to participate. In the early phase of this research approaches were made to two organisations (in addition to the seven discussed) that had set out to but not achieved radical process orientation. Senior managers were asked whether they would wish to take part in this research. They declined. They did not wish to discuss what they considered to be a failed initiative. They were worried about the recriminations that would be stirred up. Other organisations approached during the later phases of this research have reacted similarly. Nonetheless, the current literature provides examples of non-achievement of radical process orientation and these are used as a source of secondary data (Currie and Willcocks, 1996; Stoddard et al. 1996).

| Organisation Theoretical Criteria | Carton Carrier | Foundry Insurance | Financial Data (pilot study) |
|--|---|---|---|
| Changes to one or more of the core values about what it holds to be important | <i>From:</i> Operated and considered itself to be independent of other group companies; <i>To:</i> Integrated with group companies | <i>From:</i> Cradle to grave employment; <i>To:</i> Employment rests upon profitability and individual performance | <i>From:</i> Line manager is more important than customers; <i>To:</i> Customers given priority |
| Power and status are redistributed | <i>From:</i> People in support functions treated secondary; <i>To:</i> People in the business; support personnel feel on par with business people | <i>From:</i> General manager most powerful, made all decisions; <i>To:</i> Middle managers decide, and heads of technical functions given early retirement or left organisation | <i>From:</i> Each function considered itself to be most powerful; <i>To:</i> Cross functional teams determine the service |
| Structure, systems, and procedures are changed | <i>From:</i> Seven regions; <i>To:</i> Three regions <i>From:</i> Outdated systems, pens and paper; <i>To:</i> New systems and procedures for sorting and delivering parcels | <i>From:</i> Many functional / departmental boundaries; <i>To:</i> Integrated functions <i>From:</i> Minimal systems - 2 pc's in organisation; <i>To:</i> New systems and procedures, e.g. engineers home working | <i>From:</i> Many functions, complex reporting lines; <i>To:</i> cross functional service teams <i>From:</i> Separate functional systems; <i>To:</i> New integrated systems and procedures |
| Interactions between people are changed, as people take on new roles and responsibilities | <i>From:</i> Depot managers as clerks; <i>To:</i> Depot managers / Regional managers made responsible for depot's financial performance <i>From:</i> Support personnel centralised; <i>To:</i> support people per region | <i>From:</i> People located in branches; <i>To:</i> Branch people relocated to head office <i>From:</i> Managers kept in the dark; <i>To:</i> Managers given responsibility for their departmental plans and budgets | <i>From:</i> People grouped by skill / expertise; <i>To:</i> People grouped by process <i>From:</i> Experts in different buildings; <i>To:</i> Experts collocated |
| New executives brought in to the organisation | New joint managing directors from other group organisations | New general manager from other group company | New managing director from other group company |

Table 3.2: Satisfying theoretical criteria for radical organisational change

3.3.3 Data collection techniques used

The first order constructs were collected through in-depth, semi-structured interviews. Appendix 1 lists the dates of the interviews. An interview schedule was prepared which had in it the key topics for discussion. The interview schedule is set out in Appendix 2. The schedule was used to guide the interview. All interviews began with a brief background about the researcher, an overview of the work and the purpose of the interview. Interviewees were reminded that all discussions in and out of the interview situation would remain totally confidential. They were also assured that no one other than the researcher would have access to the original transcripts, and while quotes from their transcripts would form part of the case report, no quotes would be attributed to any one individual. They were asked if they had any questions prior to starting the interview, and these were dealt with. All interviews were taped and transcribed.

The interviews were conducted with open-ended questions, which encouraged people to reflect on the changes that had taken place during the achievement of radical process orientation. Open-ended questions were followed-up with probe questions that required individuals to consider whether specific organisational elements may or may not have changed. These probes were used to jog people's memories. Open-ended questions were also used to elicit people's reflection of issues they consider important to the achievement of radical process orientation. They were also asked to explain why they believed particular issues were important, to get them to reflect on their initial comments and as a way of delving into the meaning they attached to particular issues they raised.

In addition to the interview data, internal documents, including structure charts, internal newsletters, and process maps were gathered. These documents were used to support the interview data. A conscious effort was made to observe what happened in the organisation when visiting the case study site. Visits were made to specific sites such as the depots in Carton Carrier. There, for example, this researcher 'walked' a parcel through the entire sorting

operation at the busiest time of the day. These observations were recorded shortly after each meeting / visit.

Two tactics were deployed to minimise the theoretical problems associated with qualitative data. These tactics ensure that data is rigorous and credible. One, data was collected on the same topic from several primary sources, i.e. people who were directly involved with the achievement of radical process orientation. This enabled data to be cross-checked and corroborated across interviews. Two, data collected from a variety of sources, e.g. internal documents, presentation material and external reports were triangulated to verify interview data.

The high level of consistency, repetition, and confirmation found in the interview transcripts, and cross-checking between data suggests that the data collected is credible and rigorous. The robustness of the data collected is demonstrated further as they stand up to scrutiny because the trail of evidence exposes the data itself. This research has achieved a reasonable balance between collecting good quality data while avoiding being trapped and asphyxiated by the data.

3.3.4 People interviewed

The researcher gathered information from implementors and recipients actively involved with and with direct experience of the achievement of radical process orientation. The approach adopted to identify and interview specific interviewees is as follows. An initial meeting was held with the most senior person (the gatekeeper) this researcher had contact with. In Financial Data, the gatekeeper was the deputy managing director, in Foundry Insurance it was the managing director, and in Carton Carriers it was the commercial director. During this meeting, the gatekeeper was asked to consider which people would be interviewed. In accordance with the case design, the gatekeeper was asked to identify one person from each group within implementor and recipient roles. The job titles held by the people interviewed and their corresponding role are summarised in Table 3.3. Each gatekeeper agreed, in principle, that further

people could be interviewed as the case study progressed, if they were identified as having useful or relevant information⁹.

A short time after the initial meeting, the gatekeeper in Financial Data, Carton Carrier, and Foundry Insurance was telephoned to ascertain the names of the potential people to be interviewed. During this discussion, general inquiries were made about each person's background (length of service, experience) and their involvement and role in the changes. The researcher then spoke, as far as possible, to each person over the telephone to arrange an interview date. This conversation was held to 'break the ice' and develop a rapport with the interviewee, as the researcher wanted each person to take a small interest in his work. Some interviewees made it clear that this work was a low priority item on their agenda (one person stated this in no uncertain terms). During the phone call each person was given a quick summary of the work. The researcher stressed that everything they said would be treated in strictest confidence. Interviewees were reminded (the gatekeeper was asked to inform them first) that the interview would be taped to test their reactions, and most people reacted favourably. They were given an opportunity to ask questions. Brief notes were made about impressions from this conversation. For example, one person came across as eager and knowledgeable but potentially lacking confidence in an interview situation. The researcher made it a point to begin this particular interview by asking how the individual felt about being interviewed. It became apparent that she could not imagine why anyone would want to ascertain her views. The researcher explained that her experiences were the 'raw material' for his analysis. This interviewee said that by talking about the way she felt prior to the interview, and gaining a better understanding of why she was being interviewed, she felt more comfortable with the interview.

Twenty-one people directly involved with the achievement of radical process orientation were interviewed across the units of analysis, of which fifteen were in Foundry Insurance and Carton Carriers. Two roles namely, managing director and IT manager, within Foundry Insurance require clarification. The managing director agreed to the case study being undertaken,

⁹ This researcher spent approximately thirty hours in each case organisation.

however, between reaching this agreement and the interview date he was promoted to the director of the Group's European operations. This resulted in him cancelling the interview, as he began spending significant amounts of time outside the UK. However, he agreed that the transcript of the paper he delivered to the Cranfield conference could be used in this research. This setback was overcome by interviewing the deputy managing director. The IT manager role during the achievement of radical process orientation was filled by two people. One was promoted to deputy managing director and the other became the customer services manager. The IT manager incumbent at the time of the data collection was not interviewed because he had no direct involvement in the achievement of radical process orientation.

| Organisation | Carton Carrier | Foundry Insurance | Financial Data (pilot study) |
|---|--|--|--|
| Role | | | |
| Implementor roles | | | |
| Director responsible for process orientation | Managing director | Managing director Deputy managing director | Deputy managing director Technical director |
| Person responsible for IT | IT co-ordinator | Deputy managing director / Customer services manager | IS manager |
| Process orientation team leader | Services manager | Implementation team leader | Divisional business manager |
| Process orientation team member | Team member Personnel manager | Implementation team member | Technical manager |
| Recipient roles | | | |
| Line managers | Regional general manager Depot manager Assistant depot manager | Engineering manager Customer services manager | Not included |
| Staff | Driver | Department team leader | Not included |

Table 3.3: Summary of the people, directly involved in the achievement of radical process orientation, that were interviewed

3.3.5 Fulfilling the trail of evidence: from data analysis to theoretical propositions

The interview tapes were transcribed. Each transcript was read several times to truly immerse the researcher in the data. Once this researcher felt familiar with the nature of the statements in a transcript, tentative themes were identified in the margin of the transcript that captured the nature of the first order constructs. The themes in the margin used the individual's words as far as possible. An extract from an interview to illustrate the identification of themes is set out in Appendix 3. This formed the beginnings of understanding the first order constructs, i.e. penetrating the surface of people's perspective on what is important to the achievement of radical process orientation. Once this researcher had gone through the entire transcript for an individual, the other transcripts were treated in the same fashion, until all transcripts for a case were analysed.

Next, the tentative themes from the margin were used to conjoin first order constructs from different interviews. A table was created to display the tentative themes and the first order constructs along with a reference to the source transcript. This table formed the set of first order constructs for further examination. These first order constructs were examined to ensure the data relating to a particular theme could be corroborated with data from other interviews. Instances of contradictory or disconfirming data were sought from other transcripts. For example, one person in Carton Carrier described the previous organisation prior to the changes as being a "family firm" and "a close knit community", whereas several others described it as "dictatorial", "autocratic", and an organisation where managers "frightened people by threatening to sack them." The first order constructs were also compared to other data from other sources to triangulate the first order constructs. There was a high degree of cohesion between the interviews and between the first order constructs and other sources of data.

The interpretation of the conjoined first order constructs endeavoured to preserve the essence of people's descriptions. This ensured that the

interpretation is consistent and understandable in terms of the first order constructs. Hence, the resulting second order constructs capture the interpretation of the first order constructs.

At each stage of the trail of evidence, researcher subjectivity can result in the data being misconstrued, which leads to weak theory being developed. While researcher subjectivity can never be fully eliminated, this research made every endeavour to expose such subjectivity. Specifically, data in the form of first order constructs is presented, along with the interpretation of the data. In this way researcher subjectivity, while not eliminated, is effectively managed.

These second order constructs, from the cases studies, were compared to and classified within the conceptual categories, identified from current research as being important to the achievement of radical process orientation. Cross case synthesis involved conjoining second order constructs from the case studies that fell within the same conceptual category. The conjoined second order constructs are discussed and compared to the existing literature to identify gaps in existing research and in order to construct theoretical propositions for the achievement of radical process orientation. These theoretical propositions form the basis of the emergent model for the achievement of radical process orientation.

3.4 Methodological and theoretical findings from the pilot study

3.4.1 Lessons learnt

The pilot study, in Financial Data, provided three lessons. First, the pilot study confirmed that the case study design is robust and workable. The pilot study indicated that the case study design would yield data that could be analysed to lead to theoretical propositions. The pilot highlighted that the design needed refinement. In keeping with the literature, the gatekeeper was asked to identify people who held an implementor role, and therefore, interviews were conducted with implementors. During the analysis of the transcripts it became apparent that the three of the implementors were also recipients of the changes.

In response to some of the probe questions, these respondents intuitively answered from the perspective of a recipient. These responses came to light while analysing the data. To redress the lack of recipient data, Financial Data was approached to allow recipients to be interviewed. However, the gatekeeper had been promoted to managing director of another subsidiary, and the new deputy managing director declined the request. Second, this research expected to find discrepancies and inconsistencies in the data provided by people. However, there is a high degree of consistency in the data. In a number of instances people even used similar terms to describe certain situations. Although, as expected, some people had more information on issues they were closer to, very few issues were raised by one person only. Where inconsistencies were found they were clarified with the interviewee directly. Third, the pilot revealed that it is critical to interview people directly involved in process orientation. This researcher interviewed a person from the training department at the gatekeeper's suggestion. As it had not been possible to speak to her over the phone prior to the interview, it was not apparent that she had been involved tangentially in the achievement of radical process orientation. She was extremely embarrassed during the interview, as she was unable to comment upon topics raised for discussion. The interview was terminated early by mutual agreement. This incident cost a day in lost time, and a potential loss of goodwill. A significant practical constraint became apparent as the pilot study unfolded. The Financial Data pilot study was scheduled to take four months, instead it took ten months to complete. This delay was due mainly to people cancelling meetings. On two different occasions during the pilot study, two interviewees, with whom meetings had been arranged six weeks earlier, telephoned on the morning of the interview to cancel. The meeting was rescheduled eight weeks after the first date. However, not all delays were due to the organisation, as on one occasion this researcher cancelled interviews due to other work commitments.

3.4.2 Methodological and theoretical implications of the pilot study

Three implications arise from the pilot study. First, the case study design was refined to include recipients as a source of data. Other aspects of the design remained unchanged, as including recipients did not materially affect other aspects of the design. Second, recipients are included in the initial conceptual model developed from the literature. Third, as the views of recipients forms part of the refined case study design and recipient data in Financial Data was not collected, the second order constructs are not taken further.

3.5 Chapter summary

This chapter discussed the intellectual foundations, and the design and operationalisation of the case study approach, and the effects of the pilot study upon the design. The salient points are that this research is located in the interpretive paradigm and is exploratory in nature, it uses Schutz's work as its theoretical base, and it uses the case study approach. Four aspects that are essential to the design of cases studies are namely, theoretical criteria for identifying the unit of analysis and sample size, choosing data collection technique, identifying people to be interviewed, and establishing a trail of evidence from data analysis to theoretical propositions. A multiple case approach is taken and cases are selected based upon three theoretical criteria. These are namely, business process orientation, radical organisational change, and the business process is operational for six months. Theorists argue that the credibility of case-based theories are not due to statistical sampling logic, but upon theoretical sampling, which involves ensuring consistency between the cases to be studied, data collection and its analysis, and the theoretical propositions to be drawn from the analysis. The data collection technique to be used in this research is in-depth, semi-structured interviews. These were taped and transcribed. The problems with collecting retrospective data are identified and tactics used in this research to minimise these include triangulation and

collecting corroborative evidence from several primary sources. The people interviewed were in roles directly involved in the achievement of radical process orientation. The analysis of the data and the trail of evidence to theoretical propositions are examined. Transparency, between data, its analysis and interpretation, and theoretical propositions is achieved by using Schutz's notion of first and second order constructs. This data analysis technique supports the theoretical foundation of this work. The second order constructs are conjoined based upon the conceptual categories developed from the literature. Theoretical propositions are constructed by comparing conjoined second order constructs with current literature to identify gaps in knowledge about achievement of radical process orientation. The pilot study influenced this work at a methodological and theoretical level. At a methodological level, a consequence of the pilot was to expand the people to be interviewed to include recipients. At a theoretical level, the initial conceptual model was refined to include the recipient's perspective.

The next chapter details the achievement of radical process orientation in Financial Data. This case was conducted as a pilot and the chapter contains the first order constructs, interpretation and second order constructs. The chapter uses the initial conceptual model as the framework for developing second order constructs. These are from the perspective of implementors only and, hence, the second order constructs from the pilot study are not taken further as recipient data was not collected.

Chapter 4 Interpreting the achievement of radical process orientation in Financial Data Limited

4.1 Chapter introduction

To recap briefly, the first chapter established that the achievement of radical process orientation is the focus of this research. The next chapter located this study in the interpretive paradigm and developed an initial conceptual model from the literature. The third chapter set out the research methodology and the case study design. This chapter (4) draws upon the previous chapters and presents the first of three empirical cases. This chapter reports the first order constructs, interpretation, and second order constructs elicited from Financial Data, the pilot study. This report forms a rich description of Financial Data's achievement of radical process orientation.

Second order constructs are developed from an interpretation of the first order constructs. The initial conceptual model is used as the analytical framework to develop second order constructs. These are developed as follows: first order constructs are conjoined by bringing together data relating to a similar theme. This is followed by an interpretation of the first order constructs. Second order constructs are derived from this interpretation. Next, the second order constructs are classified according to the conceptual categories.

The pilot case study conclusions are discussed after bringing together the second order constructs for each conceptual category. Finally, the case study design is assessed based upon its deployment in the pilot study.

Basic background information on Financial Data is found in the following section. A single second order construct for each conceptual bin in the initial model is developed as follows: section 3 - commencement, section 4 - changes that occurred, section 5 - issues managed, and section 6 - effects of radical process orientation. The remaining second order constructs are located in Appendix 4, which forms an integral part of Chapter 4. Second order constructs are numbered sequentially to form a link in the chain of evidence: the number is used to trace data to the emergent model and vice versa. Following

the classification of the second order constructs, the pilot study conclusions are presented. Next, the theoretical and methodological aspects of the case study design are assessed. The final section summarises the chapter and sets the scene for the next chapter.

4.2 Background information

Financial Data is the UK subsidiary of Global Data plc. Financial Data's main lines of business are the provision of systems to enable its clients to receive financial information. Financial Data's main clients are in the financial services industry such as banks and insurance companies, although organisations in other industries also purchase its systems. The deregulation of the financial services industry during the late 1980's created a huge demand for Financial Data's products. Electronic access to on-line equity and currency prices became vital to dealers and investors. The advent of the personal computer also contributed to the demand for Financial Data's products, as these were considered the most reliable and versatile in the industry. Using Financial Data's terminals, dealers could construct their own screens of information downloaded from different pages of Financial Data's systems. Individual screen items could be arranged in a way that suited each dealer. Different graphs could be displayed concurrently, so that instant real-time comparisons could be made between the currencies covered by that dealer. The new screens also allowed simultaneous display of prices, graphs and news on a single screen. These products combined with the processing power of personal computers could lead to significant profits being made, provided up to date and accurate information was available. However, the organisation was unable to cope with the four-fold growth in business in a six-year period, which led to the radical process orientation described next.

4.3 Commencement

4.3.1 A. Conjoining first order constructs

“Previously ... up to eight administrators would touch any order, now it’s only one ... previously the customer would deal with anything up to 15 people, none of whom knew anything about him as an individual or a company.” (Implementation Team Leader)

“Our business is selling products, installing products and billing for them. Four/five years ago when we started this exercise we had large numbers of people in the organisation who were not particularly close to that element of the process and had lots and lots of people who were well away from it ... the technical function was solely involved in technical tasks. They lived in a building over by City Road and were servicing orders generated by a sales department who lived in this building (5 miles away) and were served by an administration function who lived in another floor of the same building as the technical people lived in. Our average lead-time for basic core products, from the customer signing an order from a salesman to an engineer installing a product was somewhere in the region of 7 weeks. A significant amount of that lead-time was built up out of people communicating with each other. Paper, memo, use of our management information systems at the time, etc., jobs would wait in trays for a couple of weeks for someone to come back from holiday, or to get round to getting that extra piece of information they needed to complete the task. So there were a lot a delays in the overall process. A lot of frustration for both us and customers.

People were not concerned about money, cost. It was ‘I have an order, I need to do it’. Chuck the systems in there, chuck the products in front of the customers as quickly as possible without really controlling basic business parameters like knowing what the sales rate is or knowing what your debt position is or even invoicing anyone for anything in any accurate way. Your typical engineer in the old installation department was a guy who took an order from his in tray/management information system and he processed it. No particular sense of urgency. There might have been a figure at the bottom of the screen, which indicated how much money the company was going to get on an ongoing basis if we installed it, but it really did not mean very much to him. We plodded through the work. His mind was very much on doing things to a high level of quality, accurately, enjoying the technology and playing with the toys, as it were, to try and give the customer what he wanted and in their own way the people there considered they were providing a good service ... We used to have an installation order book which was almost like a.... I make it akin to a big bag and you used to get orders in there and every now and then an engineer would put his hand in the bag and pull an order

out and say ‘right, I’m going to do this today’ and there was no real priority, no measurement in terms of how long it took us to do an order.” (Implementation Team Member)

“The previous order process was long and slow, there was no single owner of the order process, so for any order coming in to the Company, it would go through as many as five or six different people. Lots of hand-offs between different groups and different departments, and it would split into various directions and, if you were lucky, some months later it would get installed and the whole thing would be brought back together again and result in a bill. If you were unlucky, it could end up in a myriad of locations and people would then make enquiries and a whole host of people were engaged just to hunt around for where an order had got to, provide the status and to try and keep the customer calm ... before you knew where you were you had ten people doing a particular function and that only. So all the billing was going into the department of ten people just producing invoices. There was another department of some 35 people just doing credit checks and debt collection. Now people would pass documents over to credit checking, nobody knew what they really did. If you spoke to the credit checkers they’d say ‘oh it’s an art really, there’s all sorts of sources and things to check and you know, Dun & Bradstreet, whatever it was’. And if you went to the debt collectors and said ‘well how do you do your job’, of course they are just looking at the total outstanding debt and they would just be ringing clients as they felt they wanted to, and from the client’s perspective, the left hand didn’t know what the right hand was doing because they may well have just agreed that day with the sales executive and an administrator on a final agreement as to what the installation was going to be, what the problem was over an unpaid bill, they’d get it all agreed and the next day a debt collector rings up in an aggressive tone saying ‘you owe us £500,000 for the last six months and you still haven’t paid’. And so ‘just a minute, I was only speaking to one of your staff yesterday’ and the other people wouldn’t know anything about it. That type of occurrence was prevalent, highly prevalent in the environment we were working in.” (Deputy Managing Director)

4.3.1 B. Interpretation and second order construct

Financial Data’s previous order process typically started with a sales person obtaining a signed order from a client. The order passed through the hands of several sales administrators, each of whom recorded or added information to the order. For example, orders were sent to the credit-checking department to verify the client’s account was within agreed credit limits and creditworthiness of the client. Sales administrators sent the order to the

technical function, located in a different building. Administrators in the technical function received the order and logged it in an installation order book and on the BOS (billing and order system). The physical order was sent to an engineer. The order could wait for several weeks in the engineer's in-tray until he or she selected it. Engineers selected orders in no particular order of priority. Engineers were required to plan the technical aspects of the order, including the ordering of components from internal and external suppliers. They would await delivery of the components, configure the product, and arrange for its installation on the client's site. It was common for engineers to require additional components, which were not specified on the client's order but were necessary for the product. The order and the component breakdown would be sent to the invoicing department. They prepared and sent invoices based upon the order and additional components needed for the product. Engineers often part-installed a product or delivered to clients a different product to the one ordered. This resulted in mismatches between any two of three: order, products delivered, and the invoice. Clients therefore refused to pay or queried the invoice sent to them. Unpaid invoices were sent to the debt collection department, who wrote and phoned clients to extract payment from them. Many administrators spent their working day attempting to resolve invoicing queries.

The previous order process involved up to 15 people to fulfil any one order. These people were in five different functions: sales, technical, finance, purchasing, and customer training. People in each function were experts in their own area, who rarely shared their knowledge of their activities and how they were carried out. It took Financial Data between 8 weeks and several months to install a product and several months thereafter to receive payment. People in each function had little sense of urgency, nor were they concerned with the revenue associated with the order or the costs incurred to fulfil it. Because of the long delays between placing an order and receiving the product, clients enquired about the status of their order. Administrators in the sales function went from function to function tracking orders and advising customers when they might get delivery of their order.

As each function was in a different location, people communicated by sending memos to each other. For example, engineers sent memos to sales people when they required further information about an order. Each function had its own information system and these were barely integrated. Consequently, information about orders, customers, delivery dates, invoices and debts due were out of date and incorrect.

Financial Data's previous order process was incoherent, slow, delivered poor levels of customer service and had poor systems support. (C_SOC # 4.1)

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual - commencement - can be found in Appendix 4, section A1_4.3.

4.4 Changes that occurred

4.4.1 A. Conjoining first order constructs

“A mission statement that was issued and everybody knew what we were trying to do. If we'd gone down a path which said 'yes, do all this and we are still trying to grow revenue and cut costs and other things', they would have been in conflict with the business process re-engineering mission and that would have been fatal.” (Technical Director)

“We realised, whereas in many cases people are looking for process engineering to make losses/reductions in staff, our target was in fact to service the client better, with a much higher standard ... there was an overall mission statement for the organisation which was to serve our clients promptly and accurately and to their full reasonable satisfaction.” (Deputy Managing Director)

“People see themselves very much more now as contributors to customer service rather than purely departmental goals.” (IT Manager)

4.4.1 B. Interpretation and second order construct

Financial Data previously focused upon revenue growth and cost reduction. The organisation achieved growth but was unable to maintain its levels of service to customers. The board realised that the organisation should provide better levels of service to customers and developed a mission statement, for the organisation that emphasised service to clients. The mission statement was framed in measurable terms, e.g. speed, accuracy and service standards. These measures were meaningful to people in the organisation because they could assess their contribution to the organisation's mission.

The directors realised service levels needed to improve and refocused the organisation's mission to serve clients promptly, accurately and to their full reasonable satisfaction. (CTO_SOC # 4.7)

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - changes that occurred - can be found in Appendix 4, section A2_4.4.

4.5 Issues Managed

4.5.1 A. Conjoining first order constructs

“Most importantly, we organised a survey, using an independent organisation, to survey every one of our customers. That was quite a challenge and we could have taken a sample, but given that we had a relatively small number of clients, in the UK about 2,500 clients, it was feasible to do this. Some organisations clearly would not have been able to do that, but we felt at 2,500 we could sample every single one of them. We asked them some searching questions. We got about a 50% response, which was very high. We asked them their views about many aspects of the service that we provide, technical service, help desk, sales, account management, administration, technical support, value for money, a whole range of questions. We asked them about the level of importance of different issues in their minds. Although we didn't in the initial surveys, we do indeed survey every year incidentally since then, we have subsequently further developed these questions and we have

asked them to compare us with the competition as well. Initially our need was not to just compare with the competition; it was actually to just get a fix as to whether they considered any part of our service very poor, poor, satisfactory, good or very good. From that we were then able to decide the relative priorities of the various programmes that we had to put in place.

We also asked key customers on a personal basis, we sent managers out to get further information from key clients ... that was done with our own managers. If you like, to added further evidence really. We were pretty certain, when we set out our programme of change, of the things that were going wrong because we had billing problems, we knew we had billing problems, we knew we had service problems, we knew it took us a long time to do things, we knew we had debt problems. So we could probably quite reasonably work out what was the problem. But there's nothing like getting the clients to tell you ... the customer surveys helped enormously to give us a check to make sure we were prioritising the right things for improvement." (Deputy Managing Director)

"We decided very quickly before we really got into BPR, but when the organisational change was already mooted, to contact customers and ask them a series of questions about how they perceived Financial Data's services ... there is a group of clients who gathered together and formed a group called the PSUG (product and services user group) which is literally a loose collection of customers who got together effectively to protect themselves from the data providers who they saw as providing an expensive service with poor quality. So that was a group that we asked to help us get it right in terms of 'look we know we have got a problem, we're not going to hide it from you but we would appreciate your help on this because if you can help us, then our service to you will get better'. That group has been used on an ongoing basis throughout the process." (Implementation Team Leader)

4.5.1 B. Interpretation and second order construct

Financial Data employed an independent market research organisation to conduct a survey of its clients. The research organisation developed a wide ranging questionnaire, covering all aspects of Financial Data's service including technical service, help desk, account management and administration. The clients were asked to rate Financial Data's performance in terms of providing these services, and to rank the level of importance of the service to them. Financial Data sent the survey to its entire client base and received a 50% response rate. Financial Data also asked user groups to provide their perception of services. This required Financial Data's management team to admit, publicly,

to its clients that the organisation had operational problems that they (the management team) were attempting to resolve. The board and senior managers had already identified the problem areas faced by the organisation and the results confirmed their views. The board prioritised the areas in which the changes would be made based upon the survey results.

Financial Data's board commissioned a survey of customers and external user groups to identify areas of poor service and used the results to prioritise areas where the changes would be made. (IM_SOC # 4.19)

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - issues managed - can be found in Appendix 4, section A3_4.5.

4.6 Effects of radical process orientation

4.6.1 A. Conjoining first order constructs

“How we then fared from the point of view of customer surveys, because in order to help us check to make sure that we were tackling the right issues/problems, we started customer surveys in a very detailed way, surveying every single customer we had. We got about 40% return in terms of customers who were prepared to tell us. That gradually increased and by the 3rd year that we'd done the surveys, it had gone up to 53%, which is a good percentage. Each year we found about an overall improvement in satisfaction of about 50%, each year, 50% year-on-year. For overall, over the 2 years, our improvement's been quite considerable. We have achieved 70% or 80% on key areas of dissatisfaction ... the benefits you'll see are in terms of how the client sees it. Shorter order process, faster, more responsive, accurate billing, accurate delivery of services ... An independent survey by a market researcher gave us vote of the 'Vendor that clients most want to do business with', which is a far cry from where we were 3 years ago when we were: the vendor that clients least wanted to do business with. In the newspapers and various user groups and amongst the clients, there is wide recognition that we are miles away from the company we were 3 or 4 years ago - it's a truly revolutionised company.” (Deputy Managing Director)

“We’ve cut this down from 25 days and we are now doing them in about 8, so that’s astonishing, the improvement in performance. You wouldn’t have believed it. When we came out with 25 days people said ‘pew and the rest!’, partly because we hadn’t got a clue what it was anyway, 25 seemed a reasonable stab ... so it’s astonishing what you can do when you begin to tune the process under control.” (Technical Director)

“We always targeted 2-3 days when we were doing it manually and we were genuinely achieving either 2 or 3 days within City North and they actually had an order within the first couple of days which was a very simple service only order. Totally clean site, very simple order and it went through something like six minutes, that’s from the point at which we received it to the point at which the customer got service.” (Implementation Team Leader)

4.6.1 B. Interpretation and second order construct

Financial Data, through the redesigned order process, was able to improve customer satisfaction levels year-on-year by 50%. Key areas of dissatisfaction identified in the original survey were reduced by 70-80% within 2 years of the survey being conducted. An independent survey showed that their clients voted Financial Data to be the ‘vendor they most wanted to do business with’. The order process cycle time has dropped from several months to 8 days for a complex product, and minutes for additional services.

| |
|--|
| Substantial increase in customer satisfaction in terms of Financial Data’s service levels. (IM_SOC # 4.52) |
|--|

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - effects of radical process orientation - can be found in Appendix 4, section A4_4.6.

4.7 Classifying the second order constructs

The second order constructs are classified according to the conceptual categories identified from the literature.

| Conceptual category | Second order constructs |
|---|--|
| Rationale for radical process orientation | <p>Financial Data's previous order process was incoherent, slow, delivered poor levels of customer service and had poor systems support. (C_SOC # 4.1)</p> <p>Financial Data's clients were deeply dissatisfied with the service levels they received. (C_SOC # 4.2)</p> <p>Financial Data had a substantial amount of unpaid invoices, which required the organisation to raise its bad debts provision. (C_SOC # 4.3)</p> <p>Managers had little control over the previous order process but sought to gain control over it. (C_SOC # 4.4)</p> |
| Choice of change initiatives | <p>Financial Data attempted to address the drivers for change by introducing a total quality management initiative. (C_SOC # 4.5)</p> <p>The drivers for change required change initiatives in the technical, sales, and finance functions to be aligned. (C_SOC # 4.6)</p> |
| Content and nature of changes experienced | <p>The directors realised service levels needed to improve and refocused the organisation's mission to serve clients promptly, accurately and to their full reasonable satisfaction. (CTO_SOC # 4.7)</p> <p>The directors created the order process with activities in the sales, technical, and the (newly created) business administration functions and gave priority to the process. (CTO_SOC # 4.8)</p> <p>The board recognised that people would need to take responsibility for functional activities and the order process. (CTO_SOC # 4.9)</p> <p>The board realised that people's pay would be changed to a very limited extent. (CTO_SOC # 4.10)</p> <p>The board aligned people's appraisal criteria to the order process and the sales, technical and business administration functions. (CTO_SOC # 4.11)</p> <p>Directors realised that people in different functions needed to work together and that their behaviours needed to be more collaborative and customer focused. (CTO_SOC # 4.12)</p> <p>Directors recognised that the existing systems were unable to support the previous and the redesigned order process. (CTO_SOC # 4.13)</p> <p>The board realised assumptions people made that reinforced poor service levels needed to be removed. (CTO_SOC # 4.14)</p> |
| Gaining and sustaining buy-in | <p>Previous functional directors and senior managers did not accept that collaboration across functions was necessary. (CTO_SOC #</p> |

4.15)

The new board accepted that late deliveries and inaccurate invoices would be eradicated. (CTO_SOC # 4.16)

| | |
|--|---|
| <p>People affected by the changes</p> | <p>Directors, managers and account team members were affected as they took ownership for their function and the order process. (CTO_SOC # 4.17)</p> <p>People from technical, sales, and finance functions were willing to be collocated for the order process to operate effectively even though they disagreed with the changes. (CTO_SOC # 4.18)</p> |
| <p>Selecting the issues to be managed</p> | <p>Board members and senior managers agreed the organisation's mission and objectives and explained these to people. (IM_SOC # 4.21)</p> <p>The board accepted that the business would be divided into four divisions each using the same order process and supporting systems. (IM_SOC # 4.26)</p> <p>The board reduced the number of levels in the hierarchy. (IM_SOC # 4.27)</p> <p>Board and senior managers set up service level agreements, with internal central service providers and external suppliers, so that they fit into the requirements of the order process. (IM_SOC # 4.31)</p> <p>Board made people in the order process jointly responsible for customer service levels. (IM_SOC # 4.33)</p> <p>Board introduced measurements for each activity in the order process. (IM_SOC # 4.39)</p> <p>People were trained to have a broader range of skills for the order process and to operate the systems. (IM_SOC # 4.40)</p> <p>The board recognised that the internal IT department, with additional expertise, could develop the systems to support the order process. (IM_SOC # 4.45)</p> <p>The board and senior managers collocated people from the sales, technical and finance functions. (IM_SOC # 4.50)</p> |
| <p>Mode of operationalising issues to be managed</p> | <p>Financial Data's board commissioned a survey of customers and external user groups to identify areas of poor service and used the results to prioritise areas where the changes would be made. (IM_SOC # 4.19)</p> <p>Financial Data's deputy managing director and external consultants designed the order process and supporting systems. (IM_SOC # 4.20)</p> <p>People at all levels, board members, senior managers and staff accepted the organisation faced major operational problems and discussed these openly. (IM_SOC # 4.23)</p> <p>The board and senior managers accepted that they would have to enforce some changes. (IM_SOC # 4.24)</p> <p>Board and senior managers were willing to explain to staff the proposed changes and its progress, using a variety of methods including a newsletter, town hall meetings, and small group discussions. (IM_SOC # 4.28)</p> <p>The board accepted that people would have to be recruited with the skills and personal characteristics required by the order process. (IM_SOC # 4.36)</p> |

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| | <p>People at all levels accepted that individuals in account teams would be paid different amounts based upon their role in the team. (IM_SOC # 4.37)</p> <p>The implementation teams used the existing systems to support the order process prior to developing the new systems. (IM_SOC # 4.42)</p> <p>Financial Data designed and implemented the order process first and then developed the new information system to support activities within the order process. (IM_SOC # 4.43)</p> <p>Developed a plan to migrate from old to new systems one division at a time and used both old and new systems in some parts of the organisation. (IM_SOC # 4.48)</p> <p>The board broke up traditional sales, technical, and finance functions and moved people from these functions into account teams. (IM_SOC # 4.49)</p> |
| Actual implementation of the issues | <p>The board members and senior managers were willing to unite to implement the necessary changes. (IM_SOC # 4.22)</p> <p>The managing director and deputy managing took personal charge for implementing the order process and the supporting systems. (IM_SOC # 4.25)</p> <p>Board members and senior managers recognised people's opinions and fears to be important and developed an internal marketing plan to address people's opinions and fears. (IM_SOC # 4.29)</p> <p>Organisation piloted the order process and the systems with actual orders from clients and with their consent, and used the pilot as the start of implementing the new order process across each division. (IM_SOC # 4.30)</p> <p>Account teams and line managers use service level agreements to escalate non-performance of activities in the process, which senior managers have to respond to. (IM_SOC # 4.32)</p> <p>Functional managers, in sales, technical and business administration, accepted joint responsibility for the order process, and convinced those below them in the hierarchy to take joint responsibility for the process. (IM_SOC # 4.34)</p> <p>Board set standards that people at all levels had to meet to remain in the process, and those who did not, were unwilling to or unable to meet the standard either left the organisation or were given different roles. (IM_SOC # 4.35)</p> <p>Board members were willing to take risks to ensure implementation was achieved. (IM_SOC # 4.38)</p> <p>Financial Data documented all aspects of the order process in considerable detail to achieve consistency across divisions. (IM_SOC # 4.44)</p> <p>Account teams cleaned clients' data before migrating to the new system. (IM_SOC # 4.46)</p> <p>Senior managers set up user groups and they controlled priority of the new system developments. (IM_SOC # 4.47)</p> <p>Senior managers allocated clients to specific account teams. (IM_SOC # 4.51)</p> |

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| Post implementation of radical process orientation | Substantial increase in customer satisfaction in terms of Financial Data's service levels. (IM_SOC # 4.52) Management and staff are in control of the order process and understand the implications of their activity on others in the order process. (ERPO_SOC # 4.53) Some aspects of the organisation have not changed. (IM_SOC # 4.54) Substantial decrease in bad debt provision and invoices are accurate and paid by customers on time. (IM_SOC # 4.55) |
| Implementor and recipient roles | The board created implementation teams with senior managers and external consultants, and devolved responsibility for achieving the redesigned order process to them, they took on the responsibility and made divisional directors and divisional functional managers responsible of implementation in their division. (IM_SOC # 4.41) |

4.8 Synthesising the second order constructs for each conceptual category: case conclusions

The aim of this section is to conclude the Financial Data case study. The brief concluding comments below are not linked back to the second order constructs because these comments do not form part of further analysis. Instead, the second order constructs are linked rigorously to the theoretical propositions developed in Chapter 7, which is to follow.

The second order constructs categorised as 'rationale for radical process orientation' suggest that Financial Data began radical process orientation because the previous order process was ineffective in terms of customer service and costs. Financial Data's customers were dissatisfied because products were delivered late, or the wrong products were delivered, or the invoice did not tally with the products delivered. Consequently, Financial Data faced a growing amount of unpaid invoices, as customers refused to pay their bills. Financial Data's board members and senior managers realised that the organisation had little control over the previous order process and that redesigning this process would provide managers with a greater degree of control. The redesigned order process would also lead to improvements in customer service levels and better cash flow, as customers were more likely to settle their invoices on time.

The second order constructs categorised as ‘choice of change initiatives’ point to Financial Data undertaking a total quality management initiative to address the poor service levels delivered to customers and the non-payment of invoices. This initiative focused upon documenting the activities of each function in isolation. Each function implemented the total quality standard - BS 5750 - at different times. Consequently, some functions attempted to conform with the procedures documented in the quality manuals, while other functions were less interested in following procedures. People, who received conflicting messages from senior managers, questioned the commitment of the board members and senior managers to the total quality management initiative. On one hand board members and senior managers told people to follow the quality procedures while, on the other hand, senior managers themselves disregarded the procedures, e.g. by launching the products without establishing the administrative support required to support the product. The total quality management initiative failed to reduce customer dissatisfaction levels or the volume and amount of late payments, and hence this initiative was stopped. Thus, it is apparent that Financial Data did not immediately select radical process orientation to address the customer and cash flow pressures faced by the organisation.

The second order constructs categorised as ‘content and nature of changes experienced’ suggest that board members and senior managers recognised that changes would be made to organisational elements. These were Financial Data’s strategy, structure, people’s responsibilities and appraisal criteria, their behaviours and the information systems, and that these elements would be aligned to the functions and the order process. For example, people were responsible for their specific job and were able to carry out their job in a fashion that suited them, with little heed to the consequences upon people in other functions. The board recognised that people had to take responsibility for their job and also other activities in the order process.

The second order constructs categorised as ‘gaining and sustaining buy-in’ indicate that it is important to understand the changes that board members and senior managers accept need to occur in the organisation. The previous

board did not accept that people in different functions should collaborate. The new board members accepted that some aspects of the organisation would be changed to a very limited extent, e.g. people's remuneration. Hence, these changes did not occur. The new board did accept that late deliveries and inaccurate invoice should be stopped, and this change did occur.

The second order constructs categorised as 'people affected by the changes' suggest that people at all levels were affected by the changes, including board members and senior managers. For example, the previous managing director and deputy managing director were replaced, divisional directors were appointed to the new board, and senior functional managers were appointed as divisional managers. People were willing to allow the changes to affect them even though they disputed the changes. Engineers did not want to be collocated with salespeople but they agreed to sit together in cross functional account teams. The second order constructs led to the conclusion that people's willingness to be affected by the changes is essential to the achievement of radical process orientation.

The second order constructs categorised as 'selecting the issues to be managed' point to Financial Data aligning the issues to the changes that need to occur. For example, people in different functions were made jointly responsible for the order process and the board split the organisation into four divisions.

The second order constructs categorised as 'mode of operationalising issues to be managed' reveal that people in Financial Data took actions that were evolutionary in nature, e.g. appointing external consultants and also took actions that were radical, e.g. shifting people away from functions to account teams. This suggests Financial Data deployed radical and evolutionary modes of operationalising the issues.

The second order constructs categorised as 'actual implementation' suggest people were willing to carry out the actions required to implement the changes. For example, directors and senior managers in different functions were willing to unite to implement the changes. People piloted the changes to improve them and to demonstrate that the order process could be operationalised.

The second order constructs categorised as ‘post implementation of radical process orientation’ suggest that the drivers for change were addressed. Customer satisfaction levels were significantly improved and this was recognised publicly as Financial Data achieved first position in an independent survey as the supplier customers most wanted to work with. Managers regained control over the order process, and deliveries invoices were accurate and on time. However, the style of management continues to be directive.

The second order construct categorised as ‘implementor and recipient roles’ suggests that implementors were also recipients of change and that the demarcation in roles is misleading.

4.9 Assessment of the pilot on the case study design

The purpose of the pilot was to assess the theoretical case study design prior to conducting the case studies for this research. Each aspect of the case design is considered.

4.9.1 Identify the unit of analysis

The case design requires that the unit of analysis be defined in terms of three theoretical criteria. In an interview with the deputy managing director, he had little problem in establishing that Financial Data met the three criteria. He confirmed that Financial Data had focused upon a business process as defined by this research, namely the order process. He was able to identify activities that were integrated across different functions to deliver Financial Data’s products and services to customers. He was also able to provide instances of changes to organisational elements that constitute radical change. He also confirmed that the order process had been operational for more than six months. This suggests that the theoretical criteria in the design can be operationalised to identify case studies for this research.

4.9.2 Identifying the sample size

The sample size for this research depends on gaining sufficient data that would enable the initial conceptual model to be developed. The pilot yielded 55 second order constructs, which indicates that other studies might also produce a similar number of constructs with which develop the initial model. Hence, this design suggests a smaller number of case studies would be necessary than at first thought.

4.9.3 Data collection techniques

The in-depth interview technique worked well. The interviews were relaxed yet purposeful. Interviewees appeared willing to provide information. All interviewees answered all questions. No one refused to answer a follow up probe. The interview schedule developed at the start of the pilot was refined. The schedule had the list of probes on a single sheet of paper and during the interviews each interviewee's initials were noted against the probes to indicate that they had been dealt with. This resulted in a rather untidy record of the probes. After the pilot, a table was created, which listed the follow up probes along the side and interviewees initials across the top. This ensured a tidier record could be maintained. The interview data is rigorous and credible, as evidenced by the high degree of corroboration across interviews. This was apparent as the interviews unfolded. The interview data was triangulated against other sources of data, i.e. internal and external reports. These other sources do not cast any doubt nor contradict the interview data.

4.9.4 Identifying people to be interviewed

The main issue identified from the pilot, in relation to this aspect of the case design, relates to gathering data from recipients as well as implementors. At the start of this research, the case study design suggested that implementors

only should be interviewed. This was based upon the extant research literature, which reported and developed models based upon the views of implementors. However, it became apparent during the analysis of the data that the literature's clear demarcation between implementor and recipient roles is less evident in practice. People who were both implementors and recipients, on occasion, responded from the perspective of the recipient of change. This data provided more rounded insights into issues that were important to the achievement of radical process orientation. This led to the case study design being refined to include recipients. Financial Data was approached with a request to interview recipients, however, this request was refused, as the deputy managing director had moved to another part of Global Data plc.

4.9.5 Data analysis

A critical issue of the case design is ensuring there is a trail of evidence between first order constructs and second order constructs by making the interpretation transparent. As evidenced by the bulk of this chapter, a clear and transparent trail of evidence can be established. This rich set of analysed data suggests that this research's analysis technique provides data to develop an emergent model for the achievement of radical process orientation.

4.9.6 Conclusions from the pilot study

The pilot study reveals that the overall case design, subject to the refinements identified above, is credible and will satisfactorily discharge the research objective and question for this research. The intention at the beginning of this research was to utilise the pilot study's second order constructs to inform the emergent model. However, as recipient data forms a central part of the refined design and this data was not collected from Financial Data, the second order constructs identified in this chapter are taken no further in this research.

4.10 Chapter summary

This chapter described the achievement of radical process orientation in Financial Data, the pilot study. It set out the first order constructs, interpreted these and identified second order constructs. This chapter classified the second order constructs according to the conceptual categories identified in the literature. This chapter assessed the contribution of this pilot study, and concluded that, with a few refinements, the case study design developed for this research is credible and robust.

The next chapter deploys the refined case design to examine the achievement of radical process orientation in Carton Carrier. It provides a rich picture of Carton Carrier's parcel delivery process.

Chapter 5 Interpreting the achievement of radical process orientation in Carton Carrier Limited

5.1 Chapter introduction

The preceding chapter drew on the research methodology and initial conceptual model to interpret the achievement of radical process orientation in Financial Data. The same methodology and model will be used to present a rich description of the achievement of radical process orientation in Carton Carrier. The second order constructs are based upon refinements made to the case study design following the pilot study. The second order constructs are classified according to the conceptual categories developed from the literature, and case study conclusions are discussed.

This chapter is structured as follows. After the introduction, basic background information about Carton Carrier is presented. Then the third, fourth, fifth, and sixth sections develop a single second order construct for each conceptual bin in the initial model as follows: section 3 - commencement; section 4 - changes that occurred; section 5 - issues managed; and section 6 - effects of radical process orientation bin. The remaining second order constructs for each conceptual bin are located in Appendix 5, which forms an integral part of Chapter 5. Again second order constructs are numbered sequentially to forms a link in the chain of evidence. The case study conclusions are discussed after the second order constructs are classified on the basis of the conceptual categories. The last section summarises the chapter and sets the scene for the next chapter.

5.2 Background information

Carton Carrier is the distribution and delivery division of General Merchandise Retailers plc (GMR). The distribution and delivery division traded under name GMR (Transport) from its inception until 1990, hence its name changed to Carton Carrier. As this case study covers the period 1989 to 1994,

both names are used as follows: GMR (Transport) denotes the organisation prior to initiating changes to the parcel delivery process, and Carton Carrier denotes the organisation during the initiation and implementation phases to achieve the parcel delivery process.

Within GMR there are four divisions: Home Merchandise, Financial Services, Information Services, and GMR (Transport). Each division operates as a business unit, in the form of a limited liability company. GMR's largest division is Home Merchandise and its main line of business is the direct sale, to customers, of a wide range of household and clothing products. Home Merchandise is one of the largest companies in its market place.

According to recent annual accounts, GMR (Transport) employed 2289 people in March 1990. Sales turnover over the previous three years fluctuated, rising from £65.6 million in 1988 to £69.2 million in 1989, but falling back to £68.4 million by 1990. During the same three-year period, pre-tax profits moved inversely to sales, starting at £13.1 million in 1988 then falling to £12.2 million in 1989, but then rising to £13.6 million in 1990. By late 1989 GMR (Transport) delivered about 70 million parcels per annum to about 4.5 million Home Merchandise customers, and 3 million parcels to a smaller number of third party clients.

5.3 Commencement

5.3.1 A. Conjoining first order constructs

“We used to have trailers coming in loosely loaded from the warehouse. What I mean by that is you would have X amount of thousands of parcels put onto a trailer. They used to come into Malham Depot and they would be off loaded. They would be sorted by a night sort crew into ‘rounds’ and at the time, I believe, we had about 60 rounds. Now these parcels would be separated into the 60 rounds and put onto the drivers’ pads, we call them.” (Assistant Depot Manager)

“Six or seven years ago everything was manual. The sort was counted physically, the night sorters used to count parcels, and they’d say ‘we’ve had 13,211 parcels in tonight’. That was then put on a Kalamazoo sheet which said 13,211. And the drivers came in and a supervisor said ‘well,

you will take out 200 parcels', so he booked out Charlie Bloggs for 200 parcels and they added all those 200 parcels up or whatever it was, and they said 'well, we had 13,211, we've taken out 11,000, so we've got 2,211'. It was a balancing act, just like that." (Depot Manager)

"So all we had was a little abacus: it was a little Apricot computer which kept a tally of the number of parcels when they came in overnight. The night sort supervisor would take all this information off the different sheets of paper and key it into the computer. Then about once or twice a day, we'd put a disc in that computer, and we'd take it through and put information (numbers of parcels) on the disc and walk through to the office and they'd put it on their computer and upload the information, and the number of parcels would equate to a certain amount of revenue the depot was going to get. Once a day (parcel information) got transferred down a line to the computer in Worcester, a fairly old mainframe we'd got down there." (IT Co-ordinator)

"200 parcels was, to use a well worn GMR (Transport) phrase, 'a good day's work'." (Personnel Manager)

"Traditionally drivers in the past have doorstepped parcels, which is an emotive word but I mean to say, unsafely (sic) delivered parcels, is probably better." (Depot Manager)

"(Doorstepping meant) throwing it (the parcel) over the back gates." (Regional General Manager)

"To give you an example, in them days, if a customer was to phone up and say 'I ordered a pair of shoes - where are they?' you couldn't actually turn around and say 'Ah well Mrs Smith, them shoes will be delivered today', or 'they're sitting in our depot awaiting delivery'. In all fairness, we didn't know where they were, so you'd have to answer the question the best way you could." (Assistant Depot Manager)

"(The information systems were) very poor. Very very poor indeed. Five years ago, if you were looking for information on a parcel, let's say, because that's our business, it would be touch and go whether you got the right information, and you would have to go round many many houses to try and achieve that information." (Assistant Depot Manager)

"If a customer made an enquiry, we wouldn't have a clue what to say 'yes, they're (the drivers) going there', 'no they're not going there'. We'd say 'there is somebody out in that area today. If they're not there today, then they'll be there tomorrow or the day after'." (Team Member)

5.3.1 B Interpretation and second order construct

Each evening GMR (Transport)'s thirty-six depots received parcels for delivery in its pre-defined geographic area. The parcels were sent from the warehouses controlled by Home Merchandise. The parcels arrived loosely packed on the back of trunks. A night supervisor and a crew of 'sorters' segregated parcels into rounds, between 10 p.m. and 6 a.m. The parcels for each round were loaded into British Rail Utility Trucks (BRUTs) and were left for the driver to collect from a 'pad', which is a square shaped area that backs on to a depot wall. Each morning about 60 drivers arrived at the depot to complete their round. The drivers went to one of two 'booking out' supervisors, who logged the drivers and their round for that day. Drivers then randomly selected two hundred parcels from the BRUT and loaded these on to their van. Drivers then drove to their round, which for a driver in an inner city area meant that he began delivering parcels within minutes, whereas a driver in the lake district might drive for an hour before his first delivery. Yet drivers were paid for the number of parcels they delivered. Drivers left parcels, at the point of delivery, on customers' doorsteps or in some other safe place of their choice. If the parcel was out of sight, drivers put a note through the customer's letterbox advising them of its location. After completing their rounds, drivers returned to the depot with any undelivered parcels. These parcels were returned to the BRUT and carried forward for delivery when the driver next selected the parcel. Often parcels remained in the depots for several weeks awaiting selection.

The systems used to manage parcels in the depot were manual. The information technology that supported the delivery of parcels was rudimentary and ineffective. The quality of data keyed into the systems was poor. Depot line managers rarely had operational information necessary for them to carry out their assigned jobs. For example, customers phoned GMR (Transport) to locate their parcels or to find out the delivery date. People in the depots were simply unable to answer such questions, as they did not know. Depot line managers had little management information, which led to ineffective controls: managers

were unaware of the depot's actual position in terms of the number of parcels it held, the numbers being returned, or the number of thefts.

GMR (Transport)'s previous parcel delivery service was ineffective, manually intensive and had poor systems support. (C_SOC # 5.1)

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - commencement - can be found in Appendix 5, section A1_5.3.

5.4 Changes that occurred

5.4.1 A. Conjoining first order constructs

"Its (GMR (Transport)'s) objectives were quite simple. It was there to generate a profit ... GMR (Transport), for its part, would receive products (for delivery) and would along with the product, receive a revenue product (from Home Merchandise), and it would seek to make a profit out of it." (Managing Director)

"Certainly back in '89 / '90, that sort of time, the breakdown in the traffic that we carried was probably about 95% Home Shopping, and 5% outside business." (Personnel Manager)

"I don't just mean mickey mouse money from Home Merchandise. I mean from real profit." (Regional General Manager)

"We (the directors of Carton Carrier) ... tr(ied) to recognise the service factors, ...now it has reached the stage where we treat performance in terms of quality of service on an equal footing with performance in terms of profit and cost control. But it's taken us a long time to get there, but they are now seen to be of equal importance." (Managing Director)

5.4.1 B. Interpretation and second order construct

GMR (Transport)'s strategic purpose was to make a profit. However, directors in GMR plc and Home Merchandise recognised that GMR (Transport)'s profit contributed little to the group's overall profit, as its major

customer was the merchandising division. Even within GMR (Transport), senior managers did not really believe in the profit generated from intra-group business. The directors realised that providing customers with a better level of service was as strategically important to the organisation's future as profitability.

The organisation treats performance in terms of both service quality and profit and cost control as strategically important. (CTO_SOC # 10)

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - changes that occurred - can be found in Appendix 5, section A1_5.4.

5.5 Issues Managed

5.5.1 A. Conjoining first order constructs

“When I came in to Carton Carrier, it was from a background of having worked within the Group for a few years, and I came in just about 1989 to work for Carton Carrier, on the basis that I'd worked for the Chairman, who'd recently been appointed to Chairman, in other areas of the business in the past. So we knew each other. We knew our style of management, and therefore to a degree, having decided which direction we were going to take the business in, it's easier from that kind of background to work together. When I first came in, the job that I undertook was to actually take charge of the non-operational areas of the business: the management services, the engineering plant, systems - IT side of it, and to try and bring my experiences from other parts of the Group to play within Carton Carrier through that area, whilst the day-to-day operations was the responsibility of somebody else.” (Managing Director)

“In 1989 the Board was restructured and a Home Merchandise director came on to the GMR (Transport) board, and adopted the attitudes that were then prevalent in Home Merchandise.” (Services Manager)

5.5.1 B. Interpretation and second order construct

A Home Merchandise director was appointed to GMR (Transport)'s board. This director had worked in other parts of GMP plc. He had a close

working relationship with the chairman, and they knew each other's styles of management. They shared a similar outlook for the business and agreed the future direction of Carton Carrier. This individual was initially appointed as services director, with responsibility for the non-operational aspects of the business, while operational responsibilities lay with the incumbent joint managing directors.

The chairman appointed a Home Merchandise director to Carton Carrier's board to manage non-operational functions. (IM_SOC # 5.25)

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - issues managed - can be found in Appendix 5, section A1_5.5.

5.6 Effects of radical process orientation

5.6.1 A. Conjoining first order constructs

“Having put the effort into developing a model for the depot it is fundamental that the first step was to document what it was, to actually implement those changes into 35 other depots spread across the whole of the mainland UK, had risks attached to it in that there was no guarantee that you could actually migrate the principles intact, to 35 other depots, particularly since it's impossible to be personally involved in all of that. So therefore, the importance was that we clearly documented the principles of the model depot.” (Managing Director)

“Some guarantee that what was implemented into the other 35 depots was what we wanted to implement rather than 35 variations on the same theme. So that was the importance of consistency.”

“Translate that into a scheme that could be migrated towards 35 depots so that every depot would then be converted to this different style of management. And that obviously meant that there had to be more contact with existing operators.”

“I think the structure is designed so that if anybody left, somebody else would just step into that person's shoes.” (Assistant Depot Manager)

“I meant, as someone who’s had practice at this, you can go into any depot, in any part of the country, as a driver or a PDM or indeed any other role, and the particular jobs, the particular tasks throughout the day are the same. The paperwork’s the same, the timing pretty much the same. If you’re a clerk, you’ve still got to do the same particular jobs at particular times of the day. So no matter where you go in the country, they are all operating on the same system with a couple of exceptions. The major one I can think of is Regional Sort, which is dependent on. Well there’s two regional sorts in the south, and no Regional Sorts in the north, so about half the depots receive some of their parcels ready sorted into cages, and the remainder receive none of their parcels like that. But again all that effects is the way the parcels are taken off the trailer. That doesn’t affect the way the data is processed or what we do with those parcels.” (Team Member)

5.6.1 B. Interpretation and second order construct

The organisation achieved a high degree of consistency in the operational and managerial aspects of the parcel delivery process by documenting the principles of the first implementation. These principles were implemented in each of the other depots. Hence, every depot has a similar mode of operating. This enabled people to move not only from one activity to another but also from one depot to another more easily, e.g. a parcel delivery manager moving from one depot to another utilises the similar activities, procedures, systems, and behaviours. In effect the parcel delivery process was replicated across each depot and any exceptions to a replica are consciously agreed, explicit, and visible for all to see.

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| The parcel delivery process was implemented in all depots so that the organisation operated consistency. (ERPO_SOC # 5.64) |
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The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - effects of radical process orientation - can be found in Appendix 5, section A1_5.6.

5.7 Classifying the second order constructs

These second order constructs are classified according to the conceptual categories from which the initial conceptual model was derived.

| Conceptual category | Second order constructs |
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| Rationale for radical process orientation | <p>GMR (Transport)'s previous parcel delivery service was ineffective, manually intensive and had poor systems support. (C_SOC # 5.1)</p> <p>GMR (Transport)'s major customer, Home Merchandise, faced increased pressures from competitors. (C_SOC # 5.2)</p> <p>GMR (Transport) continued to provide poor levels of service to Home Merchandise in spite of its changing situation. (C_SOC # 5.3)</p> <p>Home Merchandise wanted the two organisations' operations to be more closely aligned. (C_SOC # 5.4)</p> <p>Customers were leaving due to long and inconsistent delivery times. (C_SOC # 5.5)</p> <p>A depot had 82,000 undelivered parcels and 27 trailers with undelivered parcels on board parked on the street outside the depot. (C_SOC # 5.6)</p> <p>Lack of management control over parcel selection and actual delivery of parcels led to inconsistent delivery times and poor levels of service and managers sought to take control over activities that affected delivery times and service levels to customers. (C_SOC # 5.7)</p> |
| Choice of change initiatives | <p>Carton Carrier began to address its drivers for change with a work study initiative which involved examining the activities performed to deliver a parcel. (C_SOC # 5.8)</p> <p>The drivers for change required organisational changes to be co-ordinated across the sort centres and depot operations at managerial and operational levels. (C_SOC # 5.9)</p> |
| Content and nature of changes experienced | <p>The organisation treats performance in terms of both service quality and profit and cost control as strategically important. (CTO_SOC # 10)</p> <p>Carton Carrier created the parcel delivery process from activities within the functional structure. (CTO_SOC # 5.11)</p> <p>Carton Carrier altered the balance between functions and the parcel delivery process, such that the process is considered as essential as the functions in the organisation. (CTO_SOC # 5.12)</p> <p>People, including directors, depot managers and parcel delivery managers, in Carton Carrier took responsibility for their functional activities as well as the parcel delivery process. (CTO_SOC # 5.13)</p> <p>People's appraisal criteria are linked to their functional activities and the results expected from the parcel delivery process. (CTO_SOC # 5.14)</p> |

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| | <p>People, including board members, regional general managers, depot managers, assistant depot managers, parcel delivery managers and drivers, changed their behaviours towards one another where they are less threatening and recognise people at all levels contribute to the business. (CTO_SOC # 5.16)</p> <p>Carton Carrier's new information systems track parcels across the parcel delivery process. (CTO_SOC# 5.17)</p> |
| Gaining and sustaining buy-in | <p>The board accepted that people's remuneration, including regional general managers, depot managers, parcel delivery managers and drivers should be changed. (CTO_SOC # 5.15)</p> <p>Directors accepted that existing operational assumptions were flawed and incompatible with the parcel delivery process. (CTO_SOC# 5.18)</p> <p>GMR (Transport)'s board did not accept that the organisation's autonomy needed to be reduced. (CTO_SOC # 5.19)</p> <p>GMR (Transport)'s directors assumed that they could continue to provide line managers with inaccurate financial information or even withhold information. (CTO_SOC # 5.20)</p> <p>Carton Carrier's directors accepted that the withholding of information from or providing incorrect information to line managers actually needed to be reversed so that they had detailed and accurate information. (CTO_SOC # 5.21)</p> |
| People affected by the changes | <p>Depot managers were willing to take on responsibility for their depot's profitability even though they had little control over the constituent elements, i.e. income and fixed costs. (CTO_SOC # 5.22)</p> <p>Carton Carrier reduced the number of regions and created regional functions to support the activities in the parcel delivery process. (CTO_SOC # 5.23)</p> <p>Board members and regional general managers were affected by the changes. (CTO_SOC # 5.24)</p> |
| Selecting the issues to be managed | <p>Regional general managers devolved responsibility for budgets to and shared financial information with line managers. (IM_SOC # 5.33)</p> <p>People, from function and line management positions, in different regions and depots met each other to share information. (IM_SOC # 5.34)</p> <p>Board and regional general managers accepted that the quality, accessibility, and reliability of process-related information would be improved. (IM_SOC # 5.35)</p> <p>Carton Carrier developed an appraisal system with criteria linked to the parcel delivery process. (IM_SOC # 5.41)</p> <p>Carton Carrier directors accepted that they had to negotiate with the trade union to change drivers' pay conditions. (IM_SOC # 5.43)</p> <p>Directors invested substantial amounts in information systems, including the development of a small number of bespoke applications. (IM_SOC # 5.49)</p> <p>Directors and senior managers encouraged people to question the</p> |

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| | <p>previous parcel delivery service as well as the proposed changes, and they were willing to do so and to provide feedback to the implementation team. (IM_SOC # 5.53)</p> <p>Drivers' pay and bonus scheme aligned to their responsibility to achieve service quality and volume of deliveries within a standard ten-hour day. (IM_SOC # 5.56)</p> <p>Board members and managers considered van drivers key to Carton Carrier's future success. (IM_SOC # 5.57)</p> <p>Van drivers recognised the importance of service quality. (IM_SOC # 5.58)</p> <p>Board members refocused the corporate objective. (IM_SOC # 5.59)</p> <p>Board members, regional general managers, depot managers, assistant depot managers, and parcel delivery managers listen to those below them in the hierarchy. (IM_SOC # 5.61)</p> <p>The board encouraged people to develop a range of skills by moving from a service to a line management role, and from the warehouse to the depot operations and vice versa. (IM_SOC # 5.63)</p> |
| <p>Mode of operationalising issues to be managed</p> | <p>Directors undertook a customer survey from which they identified that customers were dissatisfied with the service and that they wanted consistent delivery periods within an overall delivery time of a week. (IM_SOC # 5.37)</p> <p>Carton Carrier's board set up a cross functional team, led by a person from the service function, with a mandate to design the parcel delivery process. (IM_SOC # 5.38)</p> <p>Cross functional team challenged existing operational assumptions made by directors, managers and drivers. (IM_SOC # 5.39)</p> <p>Cross functional team and line managers identified the principles of the future parcel delivery process, designed the managerial, operational and systems aspects of the process, and proved it worked prior to implementing it in other depots. (IM_SOC # 5.40)</p> <p>Carton Carrier's board recognised that the organisation had inadequate financial resources and poorly skilled people to develop the information systems required to support the parcel delivery process. (IM_SOC # 5.46)</p> <p>Carton Carrier outsourced its computer department and future information systems developments to Home Merchandise's IT function, but retained control over the information systems budget and development schedule. (IM_SOC # 5.47)</p> <p>Carton Carrier introduced systems in modules rather than develop entire systems and implement them in a single attempt. (IM_SOC # 5.50)</p> <p>Implementation team members listened to people's ideas and incorporated these into future implementation plans. (IM_SOC # 5.54)</p> |

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| <p>Actual implementation of the issues</p> | <p>The chairman appointed a Home Merchandise director to Carton Carrier's board to manage non-operational functions. (IM_SOC # 5.25)</p> <p>Chairman won the power struggle against the existing joint managing directors, divided the depots into two groups and assigned operational control to different directors. (IM_SOC # 5.26)</p> <p>Existing joint managing directors left the organisation and a new managing director was appointed. (IM_SOC # 5.28)</p> <p>The chairman was willing to understand the reasons for the crisis and be involved directly to resolve the crisis. (IM_SOC # 5.29)</p> <p>Depot and assistant depot managers were trained to understand financial accounts and budgets, and were willing to learn about managing depot finances. (IM_SOC # 5.36)</p> <p>People unwilling to accept the changes or unable to meet the required standards after being trained left voluntarily or were sacked. (IM_SOC # 5.45)</p> <p>Carton Carrier created implementation teams, consisting of implementors and recipients, who took joint responsibility for installing the new systems that underpinned the parcel delivery process. (IM_SOC # 5.51)</p> <p>Board members and regional general managers recognised as important people's feelings of fear, insecurity, indifference, confidence, and criticism. (IM_SOC # 5.60)</p> <p>Board members and line managers made symbolic changes in support of the parcel delivery process. (IM_SOC # 5.62)</p> |
| <p>Post implementation of radical process orientation</p> | <p>The parcel delivery process was implemented in all depots so that the organisation operated consistency. (ERPO_SOC # 5.64)</p> <p>Carton Carrier entered into new markets successfully using the parcel delivery process developed to handle Home Merchandise's parcels, without increasing the number of depots. (ERPO_SOC # 5.65)</p> <p>Carton Carrier's management have regained control over the parcel delivery process. (ERPO_SOC # 5.66)</p> <p>Some aspects of the old organisation still remain. (ERPO_SOC # 5.67)</p> |
| <p>Implementor and recipient roles</p> | <p>The chairman and key directors consolidated their position in the organisation. (IM_SOC # 5.30)</p> <p>Board devolved operational control of the parcel delivery process to regional general managers and the regional functional managers. (IM_SOC # 5.31)</p> <p>Responsibility for profitability and service quality cascaded from directors to regional general managers to depot managers to assistant depot managers and parcel delivery managers. (IM_SOC # 5.32)</p> <p>Regional personnel managers monitored the appraisal system. (IM_SOC # 5.42)</p> <p>Implementation team members were willing to withstand pressure</p> |

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| | <p>from shop stewards not to implement the parcel delivery process. (IM_SOC # 5.44)</p> <p>The managing director raised the service department's profile in the organisation. (IM_SOC # 5.48)</p> <p>Training and IT managers trained line managers to use the systems and depot line managers taught people in their depots. (IM_SOC # 5.52)</p> <p>Parcel delivery managers were made responsible for the service quality achieved and quantity delivered by a team of van drivers. (IM_SOC # 5.55)</p> |
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5.8 Synthesising the second order constructs for each conceptual category

The aim of this section is to conclude the Carton Carrier case study. The brief concluding comments below are not linked back to the second order constructs at this point of the analysis because in Chapter 7 the cases are synthesised at the level of the second order constructs and because these comments are not built upon in further analysis.

The second order constructs classified as 'rationale for radical process orientation' suggest that Carton Carrier faced mounting pressure to change. These pressures stemmed from having a parcel delivery service that was ineffective and manually intensive with inadequate systems to support day-to-day operations. These pressures were a threat to Carton Carrier. The organisation recognised that it had little control over activities in the previous parcel delivery services, and a fundamental change in the service was an opportunity to regain control over activities that were critical to consistent deliveries, and hence Carton Carrier's future success. Thus, these second order constructs suggest that Carton Carrier began radical process orientation in response to drivers for change.

The second order constructs categorised as 'choice of change initiatives' suggest that Carton Carrier attempted to address the drivers with a work study initiative that measured each activity in the previous parcels delivery service. However, the directors recognised that this initiative was insufficient to bridge the functional divide that existed in the organisation between sort centres and depot operations. Each function operated to its own set of priorities and

timescales, while disregarding the affect they had on the overall delivery of parcels. Senior managers began to realise that the drivers for change required organisational changes to be co-ordinated across different functions. Thus, these second order constructs suggest that drives for change do not lead automatically to an radical process orientation initiative.

The second order constructs categorised as ‘content and nature of the changes experienced’ indicate that the content of the changes affected several organisational elements. Carton Carrier’s strategy, structure, people’s responsibilities and appraisal criteria, their behaviour towards each other, and information systems that support the parcel delivery process were changed. In relation to the nature of the change the organisational elements no longer have a solely functional orientation. Each element was changed to a function and process orientation.

The second order constructs categorised as ‘gaining and sustaining buy-in’ suggest that it is essential to understand the changes board members and senior managers accept need to occur. For example, the previous joint managing directors did not accept that Carton Carrier’s autonomy should be reduced, hence they wanted Home Merchandise to be kept at arm’s length. It is apparent from case evidence that changes that board members did not accept were not implemented. Thus, these second order constructs led to the conclusion that gaining and sustaining buy-in as described in the literature is insufficient and that acceptance of the changes that need to occur is of greater importance.

The second order constructs categorised as ‘people affected by the changes’ suggest that people were willing to be affected by the changes and that the changes affected people at all levels. Board members and regional general managers were affected, for example, as the number of regions were consolidated from seven to three.

The second order construct categorised as ‘selecting the issues to be managed’ highlight that people took actions that brought about changes to the organisational elements identified in the content of the changes. For instance, people’s responsibilities needed to change. Consequently, the board devolved

budgets to regional general managers, changed the appraisal system, and the drivers' pay and bonus system. In order to change the pay and bonus scheme, Carton Carrier's directors had to negotiate with the trade union. Another example relates to the changes in people's behaviours towards one and other. Directors encouraged people to question the previous parcel delivery service and changed their own views of drivers, from being easily dispensable to a vital part of the organisation's future success. Thus, the second order constructs suggest that the issues were linked to the changes that people believed needed to occur.

The second order constructs categorised as 'mode of operationalising the issues to be managed' point to actions that were evolutionary in nature, e.g. carrying out a customer survey and actions that were radical, e.g. outsourcing the computer department and future information systems developments. Thus, these second order constructs suggest that Carton Carrier used evolutionary and radical modes of operationalising the issues.

The second order constructs categorised as 'actual implementation of the issues' suggest that radical process orientation was implemented because people took on and sustained the responsibilities for implantation and carried out the actions necessary for implementation. Some of these actions involved bypassing the previous managing directors, e.g. by dividing the depots into two groups, leading eventually to the managing directors leaving the organisation. At the same time board members had to be cognisant of people's feelings, their fears and insecurities. Thus, these second order constructs indicated that people have to be willing to implement the issues.

The second order constructs categorised as 'post implementation of radical process orientation' suggest that drivers for change were resolved. Hence, parcels were delivered on time, which improved customer satisfaction levels being improved and further backlogs in undelivered parcels being avoided. Management also regained control over the parcel delivery process. However, aspects of the organisation, e.g. the dictatorial style of management that existed prior to radical process orientation can still be found in the organisation.

The second order constructs categorised as ‘implementor and recipient roles’ lead to the conclusion that the roles are not discrete. Regional general managers were recipients of the changes, e.g. by having their region’s budgets devolved to them; they in turn became implementors as they cascaded control over depot budgets to depot managers.

5.9 Chapter summary

This chapter provided a rich description of the achievement of the parcel delivery process in Carton Carrier Limited. It did so by setting out first order constructs, i.e. the perspective of people, both recipients and implementors, who were directly involved with the achievement of radical process orientation. It then interpreted these first order constructs in order to established second order constructs. These second order constructs will be utilised to inform the emergent conceptual model. This chapter classified the second order constructs based upon the conceptual categories. This classification will enable the second order constructs to be conjoined with those from the Foundry Insurance case study to follow. The second order constructs were synthesised to conclude the case study.

The next chapter sets out the achievement of radical process orientation in Foundry Insurance. This case examines the initiation, implementation and consequences of implementation of the organisation’s inspection process.

Chapter 6 Interpreting the achievement of radical process orientation in Foundry Insurance Limited

6.1 Chapter Introduction

This chapter shares the same aims as the previous chapter. It also uses the same methodology and conceptual model to present a rich description of Foundry Insurance's achievement of radical process orientation from an interpretation of first order constructs. It also develops second order constructs from the interpretation of the first order constructs. It classifies the second order constructs according to the conceptual categories, and presents the case study conclusions.

This chapter has the same structure as the previous two chapters. Basic background information about Foundry Insurance is presented next. Then the third, fourth, fifth, and sixth sections develop a single second order construct for the respective conceptual bins namely commencement, changes that occurred, issues managed, and effects of radical process orientation. The remaining second order constructs are located in Appendix 6, which forms an integral part of this chapter. Next, the second order constructs according to the conceptual categories are classified, and the case conclusions follow. The chapter is summarised and the scene set for the next chapter.

6.2 Background information

Foundry Insurance is the engineering insurance subsidiary of Composite Insurers plc. A major part of Foundry Insurance's business is the inspection and insurance of boiler, mechanical and electrical plant. Foundry Insurance inspects plant to ensure it conforms to health and safety legislation, and insures organisations against plant breakdown and third party damage. The organisation has a wide range of customers: from corner garages to nuclear power stations. Foundry Insurance has a long heritage. In the mid-1800's manufacturing

industry began using high-pressure boilers which, due to poor design or neglect, often exploded resulting in a loss of life and business. A group of high-pressure boiler users formed the Steam Users Association. A small number of Association members banded together to offer a service that inspected and insured the quality, design and safety aspects of boilers. Foundry Insurance grew out of this service and since then has provided services in response to changes in health and safety legislation. Composite Insurers is one of the four largest insurance companies in the UK. Composite Insurers has several divisions, each offers different types of insurance coverage including life, non-life (car, home, etc), and engineering. Each division operates autonomously in the form of a limited liability company.

6.3 Commencement

6.3.1 A. Conjoining first order constructs

“Only probably four or five years ago, every surveyor had a portable typewriter, and he would spend his days up until, say, two or three o’clock, inspecting plant, go home with his notebook, and perhaps a copy of his previous report would be with him, and he would then retype that report. Now some clients required duplicate copies, some clients required one copy, some clients required five copies. That poor old surveyor was having to stuff five and six pieces of paper and carbon paper into a portable typewriter and come up with something which people couldn’t read at the sixth copy! And, er, absolutely, you know, archaic really when you think about it now.” (Engineering Manager)

“That actually changed the company from very manual paper based ... as far as the business life was concerned, nobody used the computer. They had manual portable typewriters, they had to stuff loads of pieces of paper into it. Phenomenal amounts of paper flowed between us in there. We had a huge team of people sat here prior to that date to input information on to the system that we use there just to record information.” (Customer Services Manager)

“Errors really, that could be caused by the clerk who might lose a little bit of concentration, or whatever, and think ‘Yes, I’ll put it in’ or, no they hadn’t. So, as I said, we used to input the inspection date.” (Departmental Team Leader)

“An old yellow Pre7 type form, and he would post that into Head Office which would have to be manually again, added to the screen, and then with the description of the item.

He got lots of different typefaces and different styles, and phraseology. Perhaps some Snopake and who knows what, you know; hand-written changes, and when you think, quite often the customer is paying a lot of money and all he gets at the end of the day is the report. He may get a technical appraisal of the plant, but it's embodied in the report.” (Implementation Team Member)

“That actually changed the company from very manual paper based, labour intensive operation.” (Deputy Managing Director)

“Whereas previously that access to information was either with the surveyor in a filing cabinet or it was in a multitude of paper files that we had here, and to find out anything, one had to go away from one's desk to find information.” (Customer Services Manager)

6.3.1 B. Interpretation and second order construct

Foundry Insurance's inspection service operated in the following way. Typically each surveyor received a list of new and existing customer sites with plant that required an inspection during the following three-week period. This list was printed on up to six inches of paper, as only one site appeared on a page. Each surveyor created his schedule for site visits for the three weeks. Some engineers kept copies of previous reports and took these with them. While inspecting the plant or equipment, the engineer hand wrote notes in his notebook. Inspection visits were usually completed by about two o'clock each afternoon. Each surveyor took the hand written notes home and typed the inspection report on a portable typewriter. The number of copies required varied by client as some wanted two copies and others perhaps four copies. Engineers used carbon paper in the typewriter to create the copies.

Each surveyor sent his reports to the head office administration department in the engineering function. In the administration department clerks keyed information from the reports into the head office systems. An important item of data was the next inspection date, as this was stipulated by statute. It was common to find inspection dates incorrectly keyed in at head office.

Customers often asked engineers to add and inspect new items of plant while on site. New plant would have to be added to the customer's existing register. Adding or removing items of plant was a complex set of procedures, which when examined took thirteen flip chart sheets to document. The procedures for issuing new policies were highly fragmented. To explain, one department calculated the number of days cover was required, another department calculated the cost of cover, yet another department calculated premium information, the policy typing pool typed the policy, and eventually it reached a department that checked the entire policy. If during the final check (or at any earlier stage) a department noticed an error or omission on the policy, it wound its way back through each department.

The end product of the inspection service was a typed report, certifying a customer's plant and equipment fit for service, in compliance with statutory regulations and insured. Customers with multiple sites dealt with different engineers. As each engineer sent his report independently to the customer, the quality and consistency of the reports varied significantly. Information was poorly managed in the organisation. Individuals, especially engineers held information in their heads or in their filing cabinets. As customer and plant information was dispersed, few, if any, people had an overall view of the inspection and insurance service.

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| Foundry Insurance's inspection service was highly fragmented, with much duplication and repetition and significant amounts of paper being passed between head office and engineers. (C_SOC # 6.1) |
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The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - commencement - can be found in Appendix 6, section A1_6.3.

6.4 Changes that occurred

6.4.1 A. Conjoining first order constructs

“The Business Plan I inherited was a model of brevity; it ran to one and a quarter pages. It basically said ‘We’re going to keep on doing what we’ve always done and we’re going to make a profit in 1991’. ... our Service Standards, well we didn’t have any. We had no measure of almost anything in the organisation in terms of how long it took us to do anything or the quality of delivery.” (Managing Director)

“Whereas the guy before, I think, was quite ruthless. Nobody did anything without his say so. (The previous general manager) released the brakes a little, but could only let the culture go so far because he wanted to keep total control of the costs ... but also in this, a recognition of where was this company going? Do you people know where you are going? Then the answer was, ‘Well we’re chugging along as ever’.” (Deputy Managing Director)

“The valuable difference ... any process, especially if you’ve got a number of elements - the most obvious one is when nothing goes on at all and something is sitting around waiting around to be put on the machine or waiting to be serviced in some way - nothing happens, or it’s in transit. The second part, is when you do things to whatever it might be but when you look carefully, much of that’s unnecessary anyway. Then you start to get to the more interesting bit. The necessary activities - now these are your target for automation and improvements in efficiency. And finally, the bit that matters and the only bit that matters, the small bit is the valuable difference, the bit where your organisation, or the person involved in that process, actually adds value for your customer.” (Managing Director)

“They (the management team) also, I think, learned they needed to be commercial (in terms of profitability) and that servicing the client was equally important.” (Deputy Managing Director)

6.4.1 B. Interpretation and second order construct

Foundry Insurance’s objective was to make a profit by controlling costs. Foundry Insurance’s previous management team prepared the business plan on the basis of previous years’ financial performance. The previous board’s plan barely considered customer service. People within Foundry Insurance, from board members to clerks, were unaware of customer service levels provided to customers and service standards did not exist in the organisation. The new

managing director focused upon the valuable difference, namely the essence of the process that adds value to the customer. He encouraged the management team to consider not only cost control and profitability to be important but also service quality to customers. The board realised that the organisation needed to raise the level of customer service *and* achieve profit targets.

Foundry Insurance's objectives became to provide customers with inspection reports promptly and to achieve profit targets. (CTO_SOC # 6.7)

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - changes that occurred - can be found in Appendix 6, section A2_6.4.

6.5 Issues Managed

6.5.1 A. Conjoining first order constructs

“My chairman is the chap who’s just been made Chief Executive of (Composite Insurers) and he had just taken over the chairmanship of Foundry Insurance in 1990, and he basically looked around and said ‘We have a problem, I need someone to sort it’. And that’s why I actually didn’t last long in the IT Department. I’d actually gone into the IT Department I think to help them. But when they looked round and said they had this problem, I got pulled out and pushed into Foundry Insurance to sort this.” (Managing Director)

“I think as an organisation, we were very much sort of home grown. The junior could end up as the managing director, sort of thing.” (Implementation Team Leader)

“I think the fact that when (the new managing director) arrived, he was a different type of managing director, general manager as he was then ... previous general managers had been home grown, had been insurance or engineering specialists, and he being neither of those, brought about the thing that had this catalytic bit, which is the drive from the top. He was able to provide the impetus top down which brought about the change ... certainly he (the IT manager) was there on the Exec., but the others have gone, and new people have come in. (The new marketing director) came in - he was appointed from outside, (the engineering director) came from

outside - outside the group altogether, both of them.” (Implementation Team Member)

6.5.1 B. Interpretation and second order construct

Composite Insurers appointed a new chairman to Foundry Insurance’s board. He recognised that Foundry Insurance faced major difficulties due to overdue inspections. He also recognised that Foundry Insurance had outdated systems that needed to be replaced. The chairman appointed a senior manager from another division to assist Foundry Insurance’s IT department to update the systems. Foundry Insurance’s general manager retired, and the chairman appointed the senior manager he placed in the IT department to the general manager position. This appointment differed from those of previous general managers. Previous general managers were steeped in engineering insurance, and were promoted traditionally from within Foundry Insurance. Whereas, the new managing director had little engineering insurance experience, and was the first to be appointed as the head of Foundry Insurance from outside. He had little allegiance to any one function nor did he feel the need to preserve the status quo.

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| Foundry Insurance’s general manager retired and the chairman appointed a new managing director even though he had little insurance experience. (IM_SOC # 6.23) |
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The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - issues managed - can be found in Appendix 6, section A3_6.5.

6.6 Effects of radical process orientation

6.6.1 A. Conjoining first order constructs

“Instead of doing, for example, we probably only serviced 70-75% of our business, and it’s now 98-99% on time, and we’ve achieved that by

concentrating the efforts on those things ... all this has led to a greater focus on the customer to give us the contractual ... to enable us to satisfy the contractual responsibilities which we had ... we're actually delivering the service we promised to do ... without increasing the staff ... our overdue situation has improved because we have focussed on managing these issues." (Engineering Manager)

"The first inspection reports - they all go out to the client within about 24 hours when they've been printed." (Departmental Team Leader)

6.6.1 B. Interpretation and second order construct

There has been a substantial increase in the service level provided to customers based upon the redesigned inspection process. Prior to this, customers waited several weeks or months for an inspection report. The redesigned inspection process ensures that most customers receive their reports 1-3 days after the inspection is carried out.

Foundry Insurance implemented the inspection process and consequently achieves substantially improved service levels and fulfils its contractual obligations to comply with relevant statutory regulations. (ERPO_SOC # 6.56)

The remaining first order constructs, interpretation, and second order constructs relating to the conceptual bin - effects of radical process orientation - can be found in Appendix 6, section A4_6.6.

6.7 Classifying the second order constructs

These second order constructs are classified according to the conceptual categories from which the initial conceptual model was derived.

| Conceptual category | Second order constructs |
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| Rationale for radical process orientation | Foundry Insurance's inspection service was highly fragmented, with much duplication and repetition and significant amounts of paper being passed between head office and engineers. (C_SOC # 6.1) The board realised that the organisation needed to retain existing |

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| | <p>customers, as longstanding customers moved their business to competitors. (C_SOC # 6.2)</p> <p>Foundry Insurance experienced its first financial loss of £6.3 million and had unfulfilled contractual obligations. (C_SOC # 6.3)</p> <p>Foundry Insurance wanted to bring activities that affected customer service under management's control. (C_SOC # 6.4)</p> |
| Choice of change initiatives | <p>Foundry Insurance previously attempted to address drivers for change by upgrading its information systems and carrying out a reorganisation. (C_SOC # 6.5)</p> <p>The drivers for change required organisational changes to be co-ordinated changes across engineering, boiler, electrical, machinery, administration, and customer services functions at managerial and operational levels. (C_SOC # 6.6)</p> |
| Content and nature of changes experienced | <p>Foundry Insurance's objectives became to provide customers with inspection reports promptly and to achieve profit targets. (CTO_SOC # 6.7)</p> <p>Foundry Insurance created the inspection process from activities in the functional structure. (CTO_SOC # 6.8)</p> <p>Directors, managers, team leaders and clerks are responsible for their functional activities and the inspection process. (CTO_SOC # 6.9)</p> <p>The board changed appraisal procedures to align appraisal criteria for functional activities and the inspection process. (CTO_SOC # 6.10)</p> <p>People, including board members, senior managers, team leaders and clerks, behave in an informal way with one another, and are more communicative and open with each other. (CTO_SOC # 6.12)</p> <p>The board realised that information systems needed to provide seamless support across activities that form the inspection process. (CTO_SOC # 6.13)</p> |
| Gaining and sustaining buy-in | <p>The board accepted that reward systems would not be changed. (CTO_SOC # 6.11)</p> <p>Foundry Insurance's service target became to achieve a 24-hour turnaround of inspection reports. (CTO_SOC # 6.14)</p> <p>Foundry Insurance's board recognised prevailing operational assumptions were untenable and changed them to align with the redesigned inspection process. (CTO_SOC # 6.15)</p> <p>In Foundry Insurance, the previous management team did not accept that greater emphasis needed to be placed on customer service than upon controlling costs. (CTO_SOC # 6.16)</p> <p>The previous board did not accept that operational assumptions such as withholding information actually needed to change. (CTO_SOC # 6.17)</p> <p>The previous management team did not accept that people's responsibilities should extend beyond their immediate job or be collaborative across hierarchy and function. (CTO_SOC # 6.18)</p> <p>Foundry Insurance's new managing director and board members accepted that line managers should actually have financial and operational information. (CTO_SOC # 6.19)</p> |
| People affected by the changes | <p>Directors and senior managers were affected by the changes, as the organisation structure and the number of people reporting to them</p> |

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| | <p>changed, in some cases, significantly. (CTO_SOC # 6.20)</p> <p>The board was willing to reduce the number of people employed by the organisation. (CTO_SOC # 6.21)</p> <p>Foundry Insurance's board devolved control over budgets to senior managers who, in turn, took responsibility to develop and operate their own budgets. (CTO_SOC # 6.22)</p> |
| <p>Selecting the issues to be managed</p> | <p>The board agreed a new vision and objectives for the organisation. (IM_SOC # 6.25)</p> <p>The board and managers accepted that people wanted to know about the changes due to take place and they became more open with this information. (IM_SOC # 6.27)</p> <p>Board members shared financial information and devolved budgetary responsibility to managers. (IM_SOC # 6.28)</p> <p>Managers have operational information required to manage the inspection process. (IM_SOC # 6.29)</p> <p>Board members were willing to communicate with people on a face-to-face basis, in small groups. (IM_SOC # 6.30)</p> <p>People in the organisation received consistent messages about external pressures facing the organisation and the need to implement the inspection process. (IM_SOC # 6.31)</p> <p>Board members and senior managers recognised that people at lower levels of the organisation, e.g. engineering and clerical levels, are important to the organisation's future. (IM_SOC # 6.33)</p> <p>The board introduced early retirement and voluntary redundancy schemes to reduce costs quickly and avoid trade union conflicts, but lost some 'good' people. (IM_SOC # 6.34)</p> <p>People aligned appraisal criteria to the inspection process and made the annual appraisal meeting discursive. (IM_SOC # 6.36)</p> <p>The board reduced the number of levels in the hierarchy, merged and created departments to align the functional structure with the inspection process. (IM_SOC # 6.39)</p> <p>The board promoted people on the basis of their performance rather than length of service. (IM_SOC # 6.40)</p> <p>The board invested substantial amounts of resources in new systems, including some bespoke applications. (IM_SOC # 6.44)</p> |
| <p>Mode of operationalising issues to be managed</p> | <p>The board commissioned a survey and the results revealed that customers' expectations were not being satisfied and gave people, in the organisation, customer feedback about the quality of service customers received. (IM_SOC # 6.32)</p> <p>Foundry Insurance insourced the plant database, from Composite Insurer's IT function, thereby bringing its systems under its own control. (IM_SOC # 6.45)</p> <p>Foundry Insurance developed the systems required to support the inspection process at less expense and in a shorter period of time by managing the development themselves rather than relying on Composite Insurer's IT function. (IM_SOC # 6.46)</p> <p>The board implemented systems to support the inspection process. (IM_SOC # 6.48)</p> |

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| | <p>The managing director and IT manager set tight deadlines for implementation teams, and prioritised systems, which were developed in modules. (IM_SOC # 6.49)</p> <p>Board members and managers designed the inspection process after questioning existing operational assumptions. (IM_SOC # 6.50)</p> <p>Board members and managers provided implementation teams with support, especially when things were not going according to plan. (IM_SOC # 6.53)</p> |
| Actual implementation of the issues | <p>Foundry Insurance's general manager retired and the chairman appointed a new managing director even though he had little insurance experience. (IM_SOC # 6.23)</p> <p>Board members retired or resigned, and the board was restructured with new board members appointed from outside or promoted from within the organisation. (IM_SOC # 6.24)</p> <p>People left the organisation because they did not accept the proposed changes. (IM_SOC # 6.26)</p> <p>Board members and managers recognised and attempted to reduce people's fears, anxieties and stress levels by changing their own behaviour and by supporting people through the implementation. (IM_SOC # 6.35)</p> <p>The managing director was willing to find out about the previous inspection service and to lead the implementation of the inspection process. (IM_SOC # 6.37)</p> <p>The managing director made symbolic changes to bring people together. (IM_SOC # 6.38)</p> <p>Engineers and other system users were willing to learn to operate the systems, and their aptitude to use the systems was tested. (IM_SOC # 6.47)</p> <p>Foundry Insurance's board members created IT implementation teams with people from different departments and external support. (IM_SOC # 6.51)</p> <p>Line managers and implementation team members took responsibility for implementing the inspection process. (IM_SOC # 6.52)</p> <p>Foundry Insurance created user groups to work with implementation teams during the development of the systems but mismanaged some of their expectations. (IM_SOC # 6.54)</p> <p>The board gave the implementation teams a mandate to implement the inspection process and the supporting information systems. (IM_SOC # 6.55)</p> |
| Post implementation of radical process orientation | <p>Foundry Insurance implemented the inspection process and consequently achieves substantially improved service levels and fulfils its contractual obligations to comply with relevant statutory regulations. (ERPO_SOC # 6.56)</p> <p>The organisation moved back into profit. (ERPO_SOC # 6.57)</p> <p>Foundry Insurance's systems are substantially improved although they were developed on separate platforms. (ERPO_SOC # 6.58)</p> <p>Foundry Insurance's management has better control over the inspection process. (ERPO_SOC # 6.59)</p> |

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| | Some aspects of the old organisation can still be found in the redesigned inspection process. (ERPO_SOC # 6.60) |
| Implementor and recipient roles | <p>The board devolved operational responsibility for the inspection process to managers below them in the hierarchy. (IM_SOC # 6.41)</p> <p>Managers took responsibility for the inspection process, and cascaded this responsibility to team leaders and engineers. (IM_SOC # 6.42)</p> <p>The board provided people at all levels with substantial training to broaden their range of skills; board members learnt new skills and convinced managers to learn new skills, and managers convinced team leaders to do the same. (IM_SOC # 6.43)</p> |

6.8 Synthesising the second order constructs for each conceptual category: case conclusions

The aim of this section is to conclude the Foundry Insurance case study. The brief concluding comments below are not linked back to the second order constructs at this point of the analysis because in Chapter 7 the cases are synthesised at the level of the second order constructs and because these comments are not built upon in further analysis.

The second order constructs categorised as ‘rationale for radical process orientation’ leads to the conclusion that Foundry Insurance had an inspection process that was inefficient (as evidenced by duplication and repetition of work) and ineffective (as evidenced by poor levels of customer service). The organisation also experienced its first financial loss in its history. The board and senior managers considered the redesign of the inspection process to be an opportunity to bring activities under the control of management.

The second order construct categorised as ‘choice of change initiatives’ suggests that the organisation tried to address the operational and financial pressures by changing its information systems and reorganising its structure. The information systems were developed by the parent company’s IT function. The systems took four years to be implemented and were imposed upon engineers. Consequently, the systems were rarely used. The reorganisation involved the creation of forty work groups, which resulted in fragmenting the organisation and moving the activities people performed apart rather than integrating them. Thus, the second order constructs suggest that other initiatives were deployed prior to process orientation.

The second order constructs categorised as ‘content and nature of changes experienced’ lead to the conclusion that organisational elements such as Foundry Insurance’s strategy, structure, people’s responsibilities and assessment criteria, their behaviours and information systems changed. For instance, board members and senior managers communicated with people in a formal manner. Board members spent most of their time in their offices and rarely spoke to people who were not their direct reports. However, the organisation became more informal as directors and senior managers spoke to people at all levels in the organisation. Each became more closely aligned to a function and process orientation. For example, the information systems supported the activities in the functions that form the parcel delivery process.

The second order constructs categorised as ‘gaining and sustaining buy-in’ suggest that understanding the changes board members and senior managers accept need to occur is essential to the achievement of radical process orientation. For example, the previous board did not accept that financial and operational information should be disseminated across the organisation. Hence this did not change until the new managing director was appointed. He accepted that financial and operational information should be shared with people at all levels in the organisation. The changes that board members and senior managers accepted were implemented; and those changes that were not accepted were not implemented.

The second order constructs categorised as ‘people affected by the changes’ reveal that board members and senior managers in Foundry Insurance were affected by the changes. Some directors had the numbers of people reporting to them reduced significantly, while other directors, e.g. the IT director, had the number of people reporting to him increase from 29 to 190. Hence, these second order constructs lead to the assertion that board members and senior managers are recipients of the changes.

The second order constructs categorised as ‘selecting issues to be managed’ suggest that the organisation identified issues based upon the changes that need to occur. For instance, the board became more open with information, and communicated more informally, i.e. in small groups on a face-to-face basis.

These second order constructs suggest that Foundry Insurance followed neither a prescriptive model nor a generic set of actions.

The second order constructs categorised as ‘mode of operationalising the issues to be managed’ indicate that Foundry Insurance utilised evolutionary modes of implementation, e.g. carrying out a customer survey, questioning assumptions and providing the implementation team with support during difficult periods of implementation. The organisation also used radical modes, e.g. insourcing information systems developments and setting tight deadlines for the implementation of the changes.

The second order constructs categorised as ‘actual implementation of the issues’ suggest that people were willing to take responsibility for implementation and for carrying out the actions required to implement the change. For example, people had to manage the fears and insecurities of others who thought they might lose their job while at the same time reducing the number of people working in the organisation.

The second order constructs categorised as ‘post implementation of radical process orientation’ suggest that as a consequence of implementing radical process orientation the drivers for change were addressed. The organisation returned to profitability, and improvements in customer service stemmed the flow of customers to competitors. However, some aspects of the organisation, e.g. people creating backlogs to indicate the pressure they are under, still remain.

The second order constructs categorised as ‘implementor and recipient roles’ reveal that people fulfilled both roles as the inspection process was implemented. Managers were recipients, e.g. having to take on budgetary responsibilities but they were also implementors in the sense that they devolved responsibilities to team leaders. Thus, the second order constructs suggest that the demarcation between the roles is not evident in practice.

6.9 Chapter summary

This chapter describes, in rich detail, Foundry Insurance's achievement of the inspection process. It developed second order constructs from an interpretation of the first order constructs. It then categorised the second order constructs according to the conceptual categories. The case study was concluded by synthesising the second order constructs for each conceptual category.

In the next chapter, the second order constructs from Carton Carrier and Foundry Insurance will be conjoined and synthesised with the literature to develop theoretical propositions from the conceptual categories. The theoretical propositions will be used to construct an emergent model for the achievement of radical process orientation.

Chapter 7 Synthesis: constructing theoretical propositions and an emergent conceptual model for the achievement of radical process orientation

7.1 Chapter introduction

Whereas the three previous chapters presented an analysis of empirical data using the research methodology and conceptual model developed earlier, the focus of this chapter is the synthesis of the data. This develops theoretical propositions from the conceptual categories relevant to the achievement of radical process orientation based upon empirical data in the form of the second order constructs. The second order constructs are compared to the existing literature relating to each conceptual category to ensure each theoretical proposition's integrity. An emergent model for the achievement of radical process is constructed by drawing together the theoretical propositions.

This chapter begins with a brief reminder of the initial conceptual model for the achievement of radical process orientation. This model's conceptual bins are revisited briefly. Next, theoretical propositions for the conceptual bins are developed. The theoretical propositions are based upon the second order constructs developed in the two previous chapters. A clear trail of evidence is established between the first order constructs and theoretical propositions, by referring to the second order construct numbers, details of which can be found in the respective case chapter. The structure to develop the theoretical propositions is explained. The theoretical propositions are then synthesised to form an emergent model for the achievement of radical process orientation. The penultimate section explains structural differences between the initial and emergent models. The final section summarises this chapter, and sets the scene for the concluding chapter.

7.2 A reminder of the initial conceptual model

The initial conceptual model for the achievement of radical process orientation was based upon the conceptual categories that emerged from an analysis of the radical process orientation literature. The model has four conceptual bins (Miles and Huberman, 1994): commencement, changes that occurred, issues managed, and effects of radical process orientation. The model's conceptual bins were used as the analytical framework for developing second order constructs. The conceptual bin labelled *commencement* is informed by two conceptual categories, 'rationale for radical process orientation' and 'choice of change initiatives'. The existing literature characterises the rationale for starting a radical process orientation initiative in terms of the drivers for change, which can be threats or opportunities. The basis upon which organisations choose radical process orientation is unclear. The conceptual bin labelled *changes that occurred* is informed by three conceptual categories. First, 'content and nature of changes experienced', as this is characterised by inconsistencies and contradictions in the literature. Second, 'gaining and sustaining buy-in' is essential to radical process orientation yet there is little agreement about the means of achieving it. Third, 'people affected by the changes' are considered, in the literature, to be sources of resistance and, hence, need to be identified so that resistance can be minimised. The *issues managed* bin is informed by three conceptual categories. One, 'selection of issues to be managed', as the literature provides contradictory prescriptive models and lists of generic actions that influence success. Two, 'mode of operationalising the issues to be managed' is poorly understood although it is recognised as critical to the achievement of radical process orientation. Three, 'actual implementation of the issues to be managed' informs this conceptual bin, as little research has been done to explain why one organisation actually achieves radical process orientation while another does not. The conceptual bin labelled *effects of radical process orientation* refers to the situation following the achievement of radical process orientation, and is informed by the conceptual category 'post implementation of radical process orientation'.

Having provided this brief reminder, this chapter proceeds to develop the initial model based upon empirical evidence, in the form of second order constructs, from the case study organisations.

7.3 Interpretation: constructing theoretical propositions

7.3.1 Structure of this section

The following four-part analytical structure is utilised to develop each theoretical proposition. Part A is entitled ‘recapitulating the literature’ and it summarises key arguments and features for each conceptual category established previously (Chapter 2, section 5). Further information about the arguments, features and source literature can be found there. Part B is entitled ‘second order constructs to be conjoined’, and it brings together second order constructs from each case study based on the conceptual category under which the second order construct was classified. Further information about each second order construct can be found in the case study chapter by referring to the number in parenthesis. Part C is entitled ‘interpreting the literature and conjoined second order constructs’, and here the second order constructs are discussed and compared to the literature related to the conceptual category to highlight gaps in existing research that the theoretical propositions and emergent model aim to address. Part D is entitled ‘resulting theoretical proposition’, and proposes a theoretical proposition based upon the previous three parts.

7.3.2 Commencement

7.3.2 (i) Refining conceptual category: rationale for radical process orientation

A. Recapitulating the literature

The current literature relating to this conceptual category argues that organisations initiate radical process orientation when faced by drivers for change. Drivers for change answer the question why change. Drivers for change are classified as either threats or opportunities. The drivers are used to create a case for change that board members can use to gain support for the planned changes. Current research suggests that it is vital for organisations to identify drivers for change because people are unlikely to support the changes unless they are convinced that the threats or opportunities do exist.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of 'rationale for radical process orientation' in the literature are:

- ◆ GMR (Transport)'s previous parcel delivery service was ineffective, manually intensive and had poor systems support (C_SOC # 5.1)
- ◆ Foundry Insurance's previous inspection service was highly fragmented, with much duplication and repetition and significant amounts of paper being passed between head office and engineers (C_SOC # 6.1)
- ◆ GMR (Transport)'s major customer, Home Merchandise, faced increased pressures from competitors (C_SOC # 5.2)
- ◆ GMR (Transport) continued to provide poor levels of service to Home Merchandise in spite of its changing situation (C_SOC # 5.3)
- ◆ Home Merchandise wanted the two organisations' operations to be more closely aligned (C_SOC # 5.4)
- ◆ GMR (Transport)'s customers were leaving due to long and inconsistent delivery times (C_SOC # 5.5)

- ◆ In Foundry Insurance, the board realised that the organisation needed to retain existing customers, as longstanding customers moved their business to competitors (C_SOC # 6.2)
- ◆ One of GMR (Transport)'s depots had 82,000 undelivered parcels and 27 trailers with undelivered parcels on board parked on the street outside the depot (C_SOC # 5.6)
- ◆ Foundry Insurance experienced its first financial loss of £6.3 million and had unfulfilled contractual obligations (C_SOC # 6.3)
- ◆ In GMR (Transport) lack of management control over parcel selection and actual delivery of parcels led to inconsistent delivery times and poor levels of service and managers sought to take control over activities that affected delivery times and service levels to customers (C_SOC # 5.7)
- ◆ Foundry Insurance wanted to bring activities that affected customer service under management's control (C_SOC # 6.4)

C. Interpreting the literature and conjoined second order constructs

The second order constructs reconfirm current research: that organisations face drivers for change. The case organisations faced three drivers for change that are interpreted as threats. These are deep flaws in the previous business process (C_SOC # 5.1) and (C_SOC # 6.1), stakeholders changing their relationship with the organisation (C_SOC # 5.2, 5.3, 5.4, 5.5) and (C_SOC # 6.2), and a major financial or operational crisis (C_SOC # 5.6) and (C_SOC # 6.3). The organisations also identified a driver for change that is interpreted as an opportunity, namely seeking to bring activities in different functions under management's control (C_SOC # 5.7) and (C_SOC # 6.4). The second order constructs add an insight to current research relating to the conceptual category, rationale for radical process orientation. The literature often presents the drivers for change as being threats or opportunities. The second order constructs indicate that the organisations recognised threats and opportunities. Carton Carrier's board sought to bring two activities, parcel selection and physical delivery, that affected delivery levels under management control. In Foundry Insurance, inspection reports were delayed, as each report had to be checked and rechecked as it moved from one department to another. The board wanted managers and team leaders to take control of work priorities to ensure

individuals performed their tasks without customers having to wait months for their inspection report. Hence, this research asserts that the literature makes an undue suggestion, namely organisations face threats *or* opportunities. This research argues that organisations should consider threats *and* opportunities.

D. Resulting theoretical proposition (# 1)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category ‘rationale for radical process orientation’, the following theoretical proposition is constructed:

Theoretical proposition # 1: Radical process orientation is more likely to be achieved when people accept the organisation’s drivers for change, which can be opportunities and threats.

7.3.2 (ii) Refining conceptual category: choice of change initiatives

A. Recapitulating the literature

Current research argues that drivers for change lead directly to the need for a radical process orientation initiative. Researchers cite two reasons for this belief, although both lines of reasoning are deficient. One, other change initiatives are deemed to be inherently limited and two, organisations are expected to achieve radical performance improvements. However, the conceptual category, choice of change initiatives, reveals that organisations have several change initiatives available to them, which can be used to address the drivers for change. Hence, organisations have to select radical process orientation from a range of change initiatives. Yet current research is silent in terms of providing analytical criteria that organisations could use to select radical process orientation rather than another type of change initiative.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of ‘choice of change initiatives’ in the literature are:

- ◆ Carton Carrier began to address its drivers for change with a work study initiative, which involved examining the activities performed to deliver a parcel (C_SOC # 5.8)
- ◆ Foundry Insurance previously attempted to address drivers for change by upgrading its information systems and carrying out a reorganisation (C_SOC # 6.5)
- ◆ In Carton Carrier’s the drivers for change required organisational changes to be co-ordinated across sort centres and depot operations at managerial and operational levels (C_SOC # 5.9)
- ◆ In Foundry Insurance, the drivers for change required organisational changes to be co-ordinated across engineering, boiler, electrical, machinery, administration, and customer services functions, at managerial and operational levels (C_SOC # 6.6)

C. Interpreting the literature and conjoined second order constructs

Current research makes the assumption that the drivers for change lead automatically to a radical process orientation initiative. However, the second order constructs, (CTO_SOC # 5.8) and (CTO_SOC # 6.5), indicate that the link between drivers for change and the selection of a radical process orientation initiative is not as obvious as current thinking assumes. These second order constructs reveal that the organisations did not immediately choose radical process orientation as *the* means of addressing drivers for change. Instead, they addressed the drivers for change with other types of initiatives such as work study, technology-based automation and restructuring. This confirms findings in the radical organisational change literature, which recognises that organisations have several change initiative options. These second order constructs suggest that organisations need to understand and agree that the drivers for change will be addressed by a radical process orientation initiative. The current radical process orientation literature overlooks this decision point, which results in

organisations either selecting radical process orientation when its inappropriate or, as the case organisations discovered, attempting to address drivers for change with unsuitable initiatives. The second order constructs suggest that the need for radical process orientation is bound up with the drivers for change identified earlier.

The literature also fails to provide analytical criteria by which organisations can systematically assess the suitability of radical process orientation. The second order constructs, (C_SOC # 5.9) and (C_SOC # 6.6), suggest tentative criteria that could be used to establish the need for radical process orientation. Organisations are more likely to need radical process orientation where drivers for change require changes to organisational elements to be co-ordinated across several functions, and require increased levels of managerial and operational interdependence between activities in those functions. The changes in the case organisations were co-ordinated in the sense that each function's changes dovetailed together. Managerial and operational interdependence refers to aligning activities in different functions to create a concurrence of effort that will resolve the driver for change. These second order constructs indicate that the drivers for change and the need for radical process orientation are coupled.

D. Resulting theoretical proposition (# 2)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category 'choice of change initiatives', the following theoretical proposition is constructed:

Theoretical proposition # 2: Radical process orientation is more likely to be achieved when people establish the need for radical process orientation rather than another type of change initiative.

7.3.3 Changes that occurred

7.3.3 (i) Refining conceptual category: content and nature of changes experienced

A. Recapitulating the literature

The radical process orientation literature contains an imprecision at the heart of its conceptualisation of radical organisational change, namely it is characterised in terms of significant expected performance improvements. The content and nature of changes to organisational elements, such as strategy, structure, people and information systems, are regarded as a consequence of the radical improvements sought by that organisation. The literature review relating to this conceptual category concluded that this conceptualisation of radical organisational change differs from that of the mainstream organisational change theorists. They conceive performance improvements to be contingent upon the changes to organisational elements. There is also much confusion regarding the nature of changes organisations experience due to radical process orientation. Some researchers suggest realignment from a functional to a predominantly process perspective; others either suggest organisations retain their functional structure; others are silent about the nature of the changes that occur. The literature review also identified a weakness in current research, specifically that board members and senior managers pay insufficient attention to the content and nature of the changes that are likely to occur during the achievement of radical process orientation.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of 'content and nature of changes experienced' in the literature are:

- ◆ Carton Carrier treat performance in terms of both service quality and profit and cost control as strategically important (CTO_SOC # 5.10)
- ◆ Foundry Insurance's objectives became to provide customers with inspection reports promptly and to achieve profit targets (CTO_SOC # 6.7)
- ◆ Carton Carrier created the parcel delivery process from activities within the functional structure (CTO_SOC # 5.11)
- ◆ Carton Carrier altered the balance between functions and the parcel delivery process, such that the process is considered as essential as the functions in the organisation (CTO_SOC # 5.12)
- ◆ Foundry Insurance created the inspection process from activities in the functional structure (CTO_SOC # 6.8)
- ◆ People, including directors, depot managers and parcel delivery managers, in Carton Carrier took responsibility for their functional activities as well as the parcel delivery process (CTO_SOC # 5.13)
- ◆ In Foundry Insurance, directors, managers, team leaders and clerks are responsible for their functional activities and the inspection process (CTO_SOC # 6.9)
- ◆ In Carton Carrier, people's appraisal criteria are linked to their functional activities and the results expected from the parcel delivery process (CTO_SOC # 5.14)
- ◆ Foundry Insurance's board changed appraisal procedures to align appraisal criteria for functional activities and the inspection process (CTO_SOC # 6.10)
- ◆ In Carton Carrier, people, board members, regional general managers, depot managers, assistant depot managers, parcel delivery managers, and drivers, changed their behaviours towards one another where they are less threatening and recognise people at all levels contribute to the business (CTO_SOC # 5.16)
- ◆ People including board members, senior managers, team leaders and clerks behave in an informal way with one another, are more communicative and open with each other (CTO_SOC # 6.12)
- ◆ Carton Carrier's new information systems track parcels across the parcel delivery process (CTO_SOC # 5.17)
- ◆ Foundry Insurance's board realised that information systems needed to provide seamless support across the activities that form the inspection process (CTO_SOC # 6.13)

C. Interpreting the literature and conjoined second order constructs

The current literature recommends board members and senior managers spend up to 70% of their time on radical process orientation initiatives. This implies researchers consider these initiatives to be strategic importance to organisations. Yet the radical process orientation literature rarely suggests that the organisation's strategy itself needs to change. The prevailing strategy is assumed to be appropriate and that the radical process orientation initiative is expected to fit around it. This perspective differs from the second order constructs, (CTO_SOC # 5.10) and (CTO_SOC # 6.7), that reveals board members and senior managers changed their organisation's strategy. For instance, Carton Carrier's previous board members considered profitability to be more important than customer service. However, the new chairman and key directors recognised that consistency and quality of service and profitability were vital to Carton Carrier's future success. The strategy was refocused to reflect the importance of satisfying stakeholder's expectations, in terms of consistent service levels, service quality and profitability, through the redesigned process and the functions. One reason the radical process orientation literature neglects to identify that the strategy needs to change is centred on its conceptualisation of radical organisational change. Researchers argue that organisations can set challenging new performance improvement targets and retain their current strategy. However, they neglect to check the appropriateness of the current strategy to the drivers for change and the 'stretch' targets. Any potential discord between the drivers for change, strategy and improvement targets manifests itself in a lack of clear direction. The second order constructs show that the organisations changed the strategy to align with the stretch targets and drivers for change. These second order constructs also reinforce the conceptual weakness of radical organisational change as it is presented in the process orientation literature. On the other hand, a change in strategy is central to radical organisational change in the radical organisational change literature. Drawing on this body of research and these constructs this research argues that

the content of change needs to include a change to the organisation's strategy. The second order constructs suggest the nature of the change to the organisation's strategy is to comprise the process and functional dimensions. For example, Carton Carrier defined its strategy in terms of service levels to be delivered by the parcel delivery process, and in terms of profitability to be achieved by the depot operations function. As the radical process orientation literature barely recognises the need to change the organisation's strategy, it is silent on the nature of change to the strategy.

The literature provides little clarity on the content and nature of changes to the organisation's structure. The second order constructs (CTO_SOC # 5.11), (CTO_SOC # 5.12) and (CTO_SOC # 6.8) suggest that the organisations specified the content of the changes to structure in terms of the functions that formed part of the process. For instance, Carton Carrier's parcel delivery process consists of activities in five functions namely, sort centre, trunking, depot operations, customer services, and finance. Foundry Insurance's inspection process consists of activities in four functions, which are customer services unit, field engineers, administration, and technical. The second order constructs provide an insight into the nature of change to structure, specifically the organisations managed the process and the functions. This diverges from current research, which frames the nature of change to structure as a choice between retaining the functional structure or creating a process structure. These second order constructs indicate that the choice in the current literature needs to be modified to 'function *and* process', as organisations strike a balance between the two.

The literature relating to people's responsibilities and appraisal criteria defines the content of the changes in generic terms. For example, organisations are advised that levels of empowerment need to increase, decision making authority needs to be delegated and people compensated based upon the profitability or value created by the process. However, the literature fails to specify the extent to which people should be empowered or the level to which decision making authority should be delegated. As the content of the change is defined in nebulous terms, changes to these organisational elements are subject

to confusion, open to misinterpretation and are difficult to implement, as the issues to be managed will depend upon exact definitions. The second order constructs, (CTO_SOC # 5.13), (CTO_SOC # 6.9), (CTO_SOC # 5.14), and (CTO_SOC # 6.10), contribute to the literature by clarifying the content of the changes to people's responsibilities and appraisal criteria. The second order constructs reveal a link between people's operational and financial performance targets as specified by the process and the functional activities they perform. Hence, the content of the change is specified in terms of the extent to which functional responsibilities and appraisal criteria of people in the process are changed to correspond to the process's operational and financial targets. This insight allows organisations to begin to define more precisely the content of the changes to people's responsibilities and appraisal criteria. The literature related to the nature of changes to people's responsibilities and appraisal criteria emphasises aligning these elements to the process while neglecting functional requirements. The second order constructs suggest that neither the function nor the process can be ignored, and is illustrated with case evidence. For instance, people in Carton Carrier were previously responsible for their function only and they rarely concerned themselves with problems faced by other functions. The directors sought to have people take responsibility for problems that arise in their function and the parcel delivery process, and changed the responsibilities of people such as directors, depot managers, and supervisors accordingly. Carton Carrier's directors also recognised that changes needed to occur to people's appraisal criteria. For example, depot managers were appraised previously for their depot's operational efficiency, whereas they are appraised for depot profitability and also the quality of service provided to customers of that depot. In Foundry Insurance, people focused upon their individual tasks, to the virtual exclusion of customers and other departments in the process. The directors recognised that people needed to take responsibility for service levels as well as their functional activity in the inspection process. In Foundry Insurance, prior to process orientation, people were appraised on a functional basis. This changed as people agreed appraisal criteria that related to their function, e.g. the time they had to complete their task, and the inspection process

in terms of delivering reports to customers in 24 hours. The second order constructs add to the existing literature by suggesting that the nature of the change to people's responsibilities and appraisal criteria is an alignment to function and process orientation.

The second order constructs (CTO_SOC # 5.16) and (CTO_SOC # 6.12) suggest that people behave in ways that are collaborative with colleagues in different functions and hierarchical levels of the process. The second order constructs reveal that the content of change begins with individuals realising their own behaviour needs to change. For example, Carton Carrier's managing director and senior managers realised that their behaviours towards each other and other people in the process needed to change. They also realised that people in direct contact with customers, not only drivers but depot line managers as well, were vital to the business. They changed their behaviours by listening directly to line managers' ideas for improving the business and their concerns about the changes created by radical process orientation, and by acting upon what they were told, where possible. The current literature implies that the content of change in relation to behaviours involves greater openness, increased communications and trust. However, the radical process orientation literature neglects to point out these changes begin with each individual, especially board members and senior managers, realising their own behaviour needs to become more collaborative. The literature is also unclear about the nature of the changes in people's behaviours. The second order constructs indicate that people need to collaborate within their function and across functions and hierarchical levels that comprise the process. For example, Foundry Insurance's managing director realised that people at all levels needed to be more involved in the business. He changed long established behaviours, for example, by walking around the building and speaking directly to staff at all levels. Senior managers changed their behaviours by encouraging clerks, for example, to speak directly to them and their colleagues in other functions that formed part of the inspection process. The second order constructs suggests insights into the content and nature of collaborative behaviours that are neglected in the literature.

The literature related to information systems emits contradictory signals about the content of the changes, and barely considers the nature of the changes. The content of change ranges from developing new systems to upgrading current systems with new systems added on, and the literature provides little guidance to understand the content of the change. The second order constructs (C_SOC # 5.17) and (C_SOC # 6.13) suggest that information systems developed by the case organisations depended upon the state of their existing systems. Carton Carrier's operations were very paper intensive with virtually no systems and so the organisation developed new systems; whereas Foundry Insurance significantly developed their existing systems and added on new systems. Hence, the content of change to information systems depends upon the organisation's current systems. As regards the nature of the change the systems support the functional activities and the process. For instance, in Carton Carrier, directors and senior managers realised that the existing systems were inadequate for the parcel delivery process to operate effectively and that new systems were required to support the parcel delivery process. Foundry Insurance's board instigated changes to the existing systems, as these were disjointed and supported individual activities. Foundry Insurance developed systems that supported the functional activities that form inspection process. The nature of the change is that information systems are aligned to the functions and process.

In summary, the second order constructs in this section were classified under the conceptual category 'content and nature of changes experienced'. In relation to the content of the changes, the second order constructs indicate that radical process orientation should be conceptualised in terms of changes to the organisational elements, strategy, structure, people's responsibilities and appraisal criteria, collaborative behaviours and information systems. This conceptualisation is significantly different from current literature, which defines radical process orientation in terms of radical performance improvements. In relation to the nature of the changes, much of the current research suggests that organisations have to choose between a function or process orientation. The second order constructs indicate that organisations should balance the organisational elements to a function *and* process orientation.

D. Resulting theoretical proposition (# 3)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category ‘content and nature of changes experienced’, the following theoretical proposition is constructed:

Theoretical proposition # 3: Radical process orientation is more likely to be achieved when people recognise organisational elements namely, strategy, structure, people’s responsibilities and appraisal criteria, collaborative behaviours, and information systems, will change and that these elements will align to a function *and* process orientation.

7.3.3 (ii) Refining conceptual category: gaining and sustaining buy-in

A. Recapitulating the literature

Current research argues that gaining and sustaining the buy-in of board members and senior managers is essential to the achievement of radical process orientation. Buy-in is conceptualised as people being committed to three overlapping components: the drivers for change, the organisation’s vision or the implementation steps taken to implement radical process orientation. There is much written about the best means for obtaining people’s buy-in. Some scholars argue for the use of rational approaches, e.g. a case for change, to gain and sustain buy-in; others argue that an understanding of the organisation’s social and political dimensions is crucial to achieving buy-in.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of ‘gaining and sustaining buy-in’ in the literature are:

- ◆ Foundry Insurance's new managing director and senior managers accepted that line managers should actually have financial and operational information (CTO_SOC # 6.19)
- ◆ Carton Carrier's directors accepted that the withholding of information from or providing incorrect information to line managers actually needed to be reversed so that they had detailed and accurate information (CTO_SOC # 5.21)
- ◆ Carton Carrier's board accepted that people's remuneration, including regional general managers, depot managers, parcel delivery managers and drivers, should be changed (CTO_SOC # 5.15)
- ◆ Carton Carrier's directors accepted that existing operational assumptions were flawed and incompatible with the parcel delivery process (CTO_SOC # 5.18)
- ◆ Foundry Insurance's service target became to achieve a 24-hour turnaround of inspection reports (CTO_SOC # 6.14)
- ◆ Foundry Insurance's board recognised prevailing operational assumptions were untenable and changed them to align with the redesigned inspection process (CTO_SOC # 6.15)
- ◆ GMR (Transport)'s board did not accept that the organisation's autonomy needed to be reduced (CTO_SOC # 5.19)
- ◆ GMR (Transport)'s directors assumed that they could continue to provide line managers with inaccurate financial information or even withhold information (CTO_SOC # 5.20)
- ◆ In Foundry Insurance, the previous management team did not accept that greater emphasis needed to be placed on customer service than upon controlling costs (CTO_SOC # 6.16)
- ◆ Foundry Insurance's previous board also did not accept that operational assumptions such as withholding information actually needed to change (CTO_SOC # 6.17)
- ◆ Foundry Insurance's previous management team did not accept that people's responsibilities should extend beyond their immediate job or be collaborative across hierarchy and function (CTO_SOC # 6.18)
- ◆ Foundry Insurance's board accepted that reward systems would not be changed (CTO_SOC # 6.11)

C. Interpreting the literature and conjoined second order constructs

The second order constructs listed above, (CTO_SOC # 5.21), (CTO_SOC # 6.19) and (CTO_SOC # 5.15) and (CTO_SOC # 5.18) and (CTO_SOC # 6.14 and 6.15), suggest that gaining and sustaining people's acceptance of the changes that *actually* need to occur in the organisation is

crucial. The second order constructs suggest that board members and senior managers be singled out as a particularly important group, as their acceptance of the changes directly affects the changes that will be implemented. The reasons underpinning this group's importance is already established in the literature. However, the second order constructs differ from the radical process orientation literature. This literature's conceptualisation of buy-in leads to board members being trained in the concepts of radical process orientation, convinced about the potential for significant performance improvements, and being satisfied that their personal standing will improve. However, the second order constructs reveal that these are superficial at best. Previous board members and senior managers in the case organisations bought into the drivers for change but still they did not accept the changes that need to occur. Yet, where they accepted a change needed to occur, it was implemented. This is borne out by the second order constructs (CTO_SOC # 5.19) and (CTO_SOC # 5.20). These show Carton Carrier's previous board found certain changes unacceptable, e.g. reducing the organisation's autonomy, and these changes did not occur while they were in charge of the organisation. On the other hand, the changes the previous board accepted needed to occur, e.g. to drivers' bonus payments, were achieved. In Foundry Insurance, the second order constructs (CTO_SOC # 6.16), (CTO_SOC # 6.17), (CTO_SOC # 6.18) and (CTO_SOC # 6.11) show that the previous board and senior managers did not accept that a number of other changes needed to occur. For example, Foundry Insurance's board assumed that inspection backlogs were acceptable, providing the organisation was no worse than the rest of the industry. The change did not occur.

A similar pattern emerges with the case organisation's new board. In Carton Carrier's where the new board accepted a change needed to occur, e.g. to the assumption that a fair day's work for a driver consisted of delivering 200 parcels per day, the change was achieved. In Foundry Insurance, the new board did not accept that people's remuneration needed to change significantly and only minor changes were made to their remuneration.

The second order constructs indicate that the incumbent management team's acceptance of the changes that actually need to occur is crucial to the

achievement of radical process orientation. The previous and new management teams had changes they did not accept needed to occur, and those changes were not implemented. These second order constructs reveal that where the incumbent management team does not accept that a particular change actually needs to occur it is unlikely that the change will occur, even though they buy-in to the drivers for change.

D. Resulting theoretical proposition (#4)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category 'gaining and sustaining buy-in', the following theoretical proposition is constructed:

Theoretical proposition # 4: Radical process orientation is more likely to be achieved when people accept the changes that *actually* need to occur in the organisation.

7.3.3 (iii) Refining conceptual category: people affected by the changes

A. Recapitulating the literature

An argument in the current research relating to this conceptual category is that people most affected by the changes will resist the achievement of radical process orientation. Middle managers and employees are identified as being significantly and directly affected by the changes, and are considered to be the primary sources of resistance to change. The literature review also revealed that scholars assume two groups, board members and senior managers, are unlikely to be recipients of change. Led by this assumption the literature treats these two groups as though they are excluded from the changes. Yet were this assumption shown to be groundless, two vital sources of resistance, board members and senior managers, have been overlooked by current literature.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of 'people affected by the changes' in the literature are:

- ◆ Carton Carrier reduced the number of regions and created regional functions to support the activities in the parcel delivery process (CTO_SOC # 5.23)
- ◆ In Carton Carrier, board members and regional general managers were affected by the changes (CTO_SOC # 5.24)
- ◆ In Foundry Insurance, directors and senior managers were affected by the changes, as the organisation's structure and the number of people reporting to them changed, in some cases, significantly (CTO_SOC # 6.20)
- ◆ Foundry Insurance's board was willing to reduce the number of people employed by the organisation (CTO_SOC # 6.21)
- ◆ Depot managers, in Carton Carrier, were willing to take on responsibility for their depot's profitability even though they had little control over the constituent elements, i.e. income and fixed costs (CTO_SOC # 5.22)
- ◆ Foundry Insurance's board devolved control over budgets to senior managers who, in turn, took responsibility to develop and operate their own budgets (CTO_SOC # 6.22)

C. Interpreting the literature and conjoined second order constructs

The second order constructs, (CTO_SOC # 5.23, 5.24) and (CTO_SOC # 6.20, 6.21), reveal that board members and senior managers are affected by the changes that occur as are people at lower levels in the organisation. For instance, in Carton Carrier, regional general managers were affected by the reduction in the number of regions, as four out of seven regional general managers left the organisation. The remaining three were given greater responsibility over their region, and two were appointed associate directors with a seat on the board. Carton Carrier's directors of finance and personnel functions were affected as control over their functions was devolved to regional general managers. Carton Carrier's board members were affected as the board was restructured. In Foundry Insurance, for example, the number of people

reporting to the IT director grew from 29 people to 190 people. The director of the sales function was affected as it was split into the sales and marketing departments. The engineering director was affected as the number of people reporting into him fell from 754 to 589. The second order constructs highlight a number of weaknesses in current thinking. First, board members and senior managers are shown to be affected by the changes which suggests that the assumption in the literature that they are not affected by the changes that occur is unfounded. Second, as this group is affected they should be considered as a source of resistance, whereas this group is overlooked in the literature. Third, as board members are affected by the changes, gaining their acceptance of the changes that actually need to occur becomes even more critical than previously considered (see theoretical proposition # 4).

The second order constructs, (CTO_SOC # 5.22) and (CTO_SOC # 6.22), suggest that people were willing to allow the changes to affect them. The concept, willingness to allow the changes to affect them, is different to resistance to change in the sense that the latter is reactive. To explain, although many researchers advocate that resistance to change should be dealt with proactively, many of the proposed methods of dealing with resistance are reactive. However, the concept of willingness suggests that each individual affected by the content and nature of the changes considers whether he / she is willing to allow organisation elements such as their behaviour, responsibilities and appraisal criteria, and structure to move to a function and process orientation. This concept requires individuals, from board members to employees, to assess their own position in relation to the proposed changes the need to occur. Hence determinants of resistance can be brought to the surface and managed. The second order constructs indicate that people's willingness to allow the changes to affect them is coupled with the content and nature of changes to organisational elements and people's acceptance of the changes that actually need to occur.

D. Resulting theoretical proposition (# 5)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category ‘people affected by the changes’, the following theoretical proposition is constructed:

Theoretical proposition # 5: Radical process orientation is more likely to be achieved when people, including board members, senior managers, middle managers and employees, are willing to allow the changes to affect them.

7.3.4 Issues managed

7.3.4 (i) Refining conceptual category: selecting the issues to be managed

A. Recapitulating the literature

An analysis of the literature relating to this conceptual category revealed that current research deals with issues managed to achieve radical process orientation in two ways. First, by developing prescriptive models that consist of a number of discrete stages and implementation steps and second, by creating sets of generic actions that direct organisations to the successful achievement of radical process orientation. The models and generic actions were criticised on three grounds. One, implying that they are universally applicable to all organisations contexts; two, presenting conflicting and confusing messages; and three, treating individual implementation steps and actions as though each is of equal importance and has a similar impact upon bringing about changes that need to occur. The literature review also revealed empirical evidence that, in practice, organisations rarely apply prescriptive models and generic actions to achieve radical process orientation.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of 'selecting the issues to be managed' in the literature are:

- ◆ Carton Carrier's board members refocused the corporate objective (IM_SOC # 5.59)
- ◆ Foundry Insurance's board agreed a new vision and objectives for the organisation (IM_SOC # 6.25)
- ◆ Foundry Insurance's board reduced the number of levels in the hierarchy, merged and created departments to align the functional structure with the inspection process (IM_SOC # 6.39)
- ◆ Carton Carrier's regional general managers devolved responsibility for budgets to and shared financial information with line managers (IM_SOC # 5.33)
- ◆ Foundry Insurance's board members shared financial information and devolved budgetary responsibility to managers (IM_SOC # 6.28)
- ◆ In Carton Carrier, drivers' pay and bonus scheme aligned to their responsibility to achieve service quality and volume of deliveries within a standard ten-hour day (IM_SOC # 5.56)
- ◆ Carton Carrier's directors accepted that they had to negotiate with the trade union to change drivers' pay conditions (IM_SOC # 5.43)
- ◆ Carton Carrier developed an appraisal system with criteria linked to the parcel delivery process (IM_SOC # 5.41)
- ◆ In Foundry Insurance, people aligned appraisal criteria to the inspection process and made the annual appraisal meeting discursive (IM_SOC # 6.36)
- ◆ Carton Carrier's people, from function and line management positions, in different regions and depots met each other to share information (IM_SOC # 5.34)
- ◆ Carton Carrier's directors and senior managers encouraged people to question the previous parcel delivery service as well as the proposed changes, and they were willing to do so and to provide feedback to the implementation team (IM_SOC # 5.53)
- ◆ Carton Carrier's board members, regional general managers, depot managers, assistant depot managers, and parcel delivery managers listened to those below them in the hierarchy (IM_SOC # 5.61)
- ◆ Foundry Insurance's board members were willing to communicate with people on a face-to-face basis, in small groups (IM_SOC # 6.30)
- ◆ Foundry Insurance's board and managers accepted that people wanted to know about the changes due to take place and they became more open with this information (IM_SOC # 6.27)

- ◆ People in Foundry Insurance received consistent messages about external pressures facing the organisation and the need to implement the inspection process (IM_SOC # 6.31)
- ◆ Board members and managers considered van drivers key to Carton Carrier's future success (IM_SOC # 5.57)
- ◆ Foundry Insurance's board members and senior managers recognised that people at lower levels of the organisation, e.g. engineering and clerical levels, are important to the organisation's future (IM_SOC # 6.33)
- ◆ Carton Carrier's board and regional general managers accepted that the quality, accessibility, and reliability of process-related information would be improved (IM_SOC # 5.35)
- ◆ Foundry Insurance's managers have operational information required to manage the inspection process (IM_SOC # 6.29)
- ◆ In Carton Carrier, van drivers recognised the importance of service quality (IM_SOC # 5.58)
- ◆ Carton Carrier's board encouraged people to develop a range of skills by moving from a service to a line management role, and from the warehouse to the depot operations and vice versa (IM_SOC # 5.63)
- ◆ Carton Carrier's directors invested substantial amounts in information systems, including the development of a small number of bespoke applications (IM_SOC # 5.49)
- ◆ Foundry Insurance's board invested substantial amounts of resources in new systems, including some bespoke applications (IM_SOC # 6.44)
- ◆ Foundry Insurance's board promoted people based on performance rather than length of service (IM_SOC # 6.40)
- ◆ Foundry Insurance's board introduced early retirement and voluntary redundancy schemes to reduce costs quickly and avoid trade union conflicts, but lost some 'good' people (IM_SOC # 6.34)

C. Interpreting the literature and conjoined second order constructs

The second order constructs confirm that the case study organisations did not follow a prescriptive model or a set of generic actions. Instead what emerges from the second order constructs is that the organisation's selected issues to be managed based upon the changes that people believed needed to occur. The second order constructs reveal that where the changes, in the case organisations, were similar so were the issues that were managed. For instance, the changes (CTO_SOC # 5.21 and 6.19) identified earlier involved the board

and senior managers agreeing to share financial and operational information with line managers. The second order constructs (IM_SOC # 5.61, 6.27, 6.30, 6.31) reveal that each organisation managed similar issues such as communicating, listening, obtaining direct face-to-face feedback, and being more open with information. The second order construct (IM_SOC # 5.34) shows that Carton Carrier introduced formal mechanisms for sharing information, as its 36 depots operate across three regions.

Where the case organisation undertook changes that were specific to it, they selectively managed the issues related to that change. This assertion is illustrated with two changes that occurred, although this pattern can be repeated for the other changes as well. One, Carton Carrier's directors realised that drivers' remuneration should be changed (CTO_SOC # 5.15). The second order constructs (IM_SOC # 5.41, 5.43, 5.56) reveal that directors managed these issues to achieve this change, specifically, they negotiated with the drivers' trade union, without whose agreement the change could not have been achieved; they aligned drivers' pay and bonus scheme to the service quality and volume of deliveries expected within a standard ten-hour day; and developed an appraisal system which linked appraisal criteria to the parcel delivery process. Foundry Insurance's board recognised that people's remuneration would not be changed significantly (CTO_SOC # 6.11). They did not therefore need to negotiate with the trade unions although, according to (IM_SOC # 6.36), the organisation aligned appraisal criteria to the inspection process. Two, the second order construct (CTO_SOC # 6.21) reveals that Foundry Insurance's board was willing to allow a reduction in the number of people employed by the organisation to occur. The second order constructs (IM_SOC # 6.34 and 6.40) suggest two issues were managed to achieve this change. The organisation introduced early retirement and voluntary redundancy schemes and it promoted people based upon their performance rather than tenure. Foundry Insurance introduced and maintained these schemes to achieve the change quickly, even though they lost capable people through the voluntary redundancy scheme. Carton Carrier, on the other hand, did not need to reduce the number of people

and, hence, did not need to manage the issue of early retirement and voluntary redundancy schemes.

These second order constructs add to the literature related to the conceptual category, selecting the issues to be managed, in two ways. First, they reveal that people in the case organisations, especially board members and senior managers, had great clarity about the issues to be managed. The importance of achieving such clarity is barely recognised in current research, and where it is mentioned, it is usually in relation to the implementation team. Consequently, board members and senior managers become distanced from the issues to be managed. Second, the second order constructs suggest that the source of the clarity is identifying issues to be managed in relation to the changes that need to occur. This linkage is rarely highlighted in the literature because the changes that occur are ill-defined in the radical process orientation literature.

D. Resulting theoretical proposition (#6)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category ‘selecting the issues to be managed’, the following theoretical proposition is constructed:

Theoretical proposition # 6: Radical process orientation is more likely to be achieved when people link the issues to be managed to the changes that need to occur.

7.3.4 (ii) Refining conceptual category: mode of operationalising issues to be managed

A. Recapitulating the literature

The review of the research literature relating to this conceptual category revealed scholars have neglected to study the modes of operationalising the

issues to be managed to achieve radical process orientation. The work that exists is polarised on two dimensions, degree of planning and nature of the mode. In relation to the first dimension, scholars in favour of structured plans suggest that organisations should develop a formal plan, which lays out specific tasks, people and dates. Others refute this position and suggest that such plans are inappropriate to radical process orientation and that organisations should manage each issue as it emerges. The second dimension refers to the nature of the mode. Some proponents argue for radical modes of implementation. Others hold an opposing view. They suggest that organisations face a choice between radical and evolutionary modes of operationalising the issues to be managed, and they argue strenuously in favour of evolutionary modes. However, this argument is flawed as evolutionary modes lead to adaptive, rather than radical, process orientation.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of ‘mode of operationalising issues to be managed’ in the literature are:

- ◆ Carton Carrier’s directors undertook a customer survey from which they identified that customers were dissatisfied with the service and that they wanted consistent delivery periods within an overall delivery time of a week (IM_SOC # 5.37)
- ◆ Foundry Insurance’s board commissioned a survey and the results revealed that customers’ expectations were not being satisfied and gave people, in the organisation, customer feedback about the quality of service customers received (IM_SOC # 6.32)
- ◆ Carton Carrier’s board set up a cross functional team, led by a person from the service function, with a mandate to design the parcel delivery process (IM_SOC # 5.38)
- ◆ Carton Carrier’s cross functional team challenged existing operational assumptions made by directors, managers and drivers (IM_SOC # 5.39)
- ◆ Carton Carrier’s cross functional team and line managers identified the principles of the future parcel delivery process, designed the managerial, operational and systems aspects of the process, and

proved it worked prior to implementing it in other depots (IM_SOC # 5.40)

- ◆ Foundry Insurance's board members and managers designed the inspection process after questioning existing operational assumptions (IM_SOC # 6.50)
- ◆ Carton Carrier outsourced its computer department and future information systems development to Home Merchandise's IT function, but retained control over the information systems budget and development schedule (IM_SOC # 5.47)
- ◆ Carton Carrier's board recognised that the organisation had inadequate financial resources and poorly skilled people to develop the information systems required to support the parcel delivery process (IM_SOC # 5.46)
- ◆ Foundry Insurance insourced the plant database, from Composite Insurer's IT function, thereby bringing its systems under its own control (IM_SOC # 6.45)
- ◆ Foundry Insurance developed systems to support the inspection process at less expense and in a shorter period of time by managing the development themselves rather than relying on Composite Insurer's IT function (IM_SOC # 6.46)
- ◆ Carton Carrier introduced systems in modules rather than develop entire systems and implement them in a single attempt (IM_SOC # 5.50)
- ◆ Foundry Insurance's board implemented systems to support the inspection process (IM_SOC # 6.48)
- ◆ Foundry Insurance's managing director and IT manager set tight deadlines for implementation teams, and prioritised systems, which were developed in modules (IM_SOC # 6.49)
- ◆ Foundry Insurance's board members and managers provided implementation teams with support, especially when things were not going according to plan (IM_SOC # 6.53)
- ◆ Carton Carrier's implementation team members listened to people's ideas and incorporated these into future implementation plans (IM_SOC # 5.54)

C. Interpreting the literature and conjoined second order constructs

The second order constructs reveal that the mode of operationalising the issues was radical and evolutionary. Specifically, Carton Carrier realised that it needed to develop new systems. The organisation had its own IT department that traditionally developed information systems. The second order construct (IM_SOC # 5.47) reveals that the IT department and systems developments

were outsourced to Home Merchandise, while Carton Carrier retained control over only budgets and development schedules. The board took this step because it recognised that the organisation had inadequate resources in terms of finance and skills (IM_SOC # 5.46). However, the previous management team faced similar resource constraints when developing earlier systems. Yet they did not consider outsourcing the development of those systems. Foundry Insurance also invested in developing systems. As it had a small IT department, the Group IT function developed all its previous systems. However, the second order constructs (IM_SOC # 6.45) and (IM_SOC # 6.46) reveal the board decided to insource systems developments away from the Group IT function. This allowed Foundry Insurance to control the systems, and develop the new systems more quickly and cost effectively. This mode of operationalising the development of systems was radical for Carton Carrier and Foundry Insurance.

The second order constructs (IM_SOC # 5.38, 5.39, and 5.40) reveal that Carton Carrier set up a cross functional team under the leadership of an individual from the services function. This team designed the parcel delivery process and its future operating principles, and questioned current operational assumptions. This was radical in Carton Carrier for a number of reasons. One, people from operational areas were considered more powerful than their counterparts in the services area. Hence, having a person from the services function being in charge of the team challenged tradition. Two, board members and senior managers told people in lower echelons what they should do, yet the cross functional team were challenging board members' assumptions about the business and recommending a set of principles by which the organisation would be managed in the future.

However, other second order constructs (IM_SOC # 5.50) and (IM_SOC # 6.48) suggest that other issues were managed in a more evolutionary manner. Specifically, systems were developed and implemented in modules rather than in a single attempt. According to the second order construct (IM_SOC # 6.49), the IT modules were developed in a short time period, and while the organisation had an implementation plan, the plan was not strictly observed, as evidenced by the second order construct (IM_SOC # 6.53). Carton Carrier too developed an

implementation plan, and as the second order construct (IM_SOC # 5.54) indicates there was latitude in the plan to adapt it to feedback received from recipients. The second order constructs (IM_SOC # 5.37) and (IM_SOC # 6.32) reveal that both organisations undertook customer surveys. This was the first time both organisations acted on the results. Carton Carrier used the results to determine the service levels customers wanted; Foundry Insurance's board shared the results with the rest of the organisation to sensitise people to the poor service levels customers received.

The second order constructs suggest that the mode of operationalising some issues to be managed was radical, to the extent it was contrary to the organisations' current situation; and the mode for operationalising other issues was evolutionary, i.e. it conformed to the current situation. This insight differs sharply from the argument prevalent in the literature, related to the nature of the mode, namely that organisations have to choose between radical *or* evolutionary modes of operationalising, and that the evolutionary mode, i.e. conformance with the current situation, should be the preferred choice. The second order constructs suggest that that the argument, i.e. either radical *or* evolutionary, is unsustainable and detracts from the achievement of radical process orientation. These constructs indicate that radical *and* evolutionary modes of operationalising issues to be managed are essential to the achievement of radical process orientation. In relation to the degree of planning, these second order constructs reveal that the case organisations developed an implementation plan but operationalised the plan flexibly. These organisations did not, as suggested by some in the literature, simply allow the issues to emerge as implementation progressed.

D. Resulting theoretical proposition (# 7)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category 'mode of operationalising issues to be managed', the following theoretical proposition is constructed:

Theoretical proposition # 7: Radical process orientation is more likely to be achieved when people plan for and deploy radical *and* evolutionary modes of operationalising the issue to be managed.

7.3.4 (iii) Refining conceptual category: actual implementation of the issues to be managed

A. Recapitulating the literature

Chapter 2 revealed that the literature related to this conceptual category focuses mainly on problems associated with the achievement of radical process orientation and tactics for overcoming these problems. These problems fall into two categories: the social aspects of change and a lack of know-how of radical process orientation and attendant techniques. Many of the tactics to deal with the problems are contained in the prescriptive models and generic actions extant in the literature, and hence are superfluous. A more concerning omission in the literature is that researchers have neglected to identify the reasons that underpin what makes people actually implement the tactics. Hence little is understood currently about the transition from the selection of issues to be managed to actual implementation.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of ‘actual implementation of the issues to be managed’ in the literature are:

- ◆ In Carton Carrier, the chairman was willing to understand the reasons for the crisis and be involved directly to resolve the crisis (IM_SOC # 5.29)
- ◆ In Carton Carrier, the chairman appointed a Home Merchandise director to the Carton Carrier’s board to manage the non-operational functions (IM_SOC # 5.25)

- ◆ Carton Carrier's services director was given managerial and operational control over depots in the southern part of the country to prove that the parcel delivery process and systems could be implemented successfully (IM_SOC # 5.27)
- ◆ The chairman won the power struggle against the existing joint managing directors and divided the depots into two groups and assigned operational control to different directors (IM_SOC # 5.26)
- ◆ The existing joint managing directors left the organisation and a new managing director was appointed (IM_SOC # 5.28)
- ◆ Foundry Insurance's general manager retired and the chairman appointed a new managing director even though he had little insurance experience (IM_SOC # 6.23)
- ◆ In Foundry Insurance, board members retired or resigned, and the board was restructured with new board members appointed from outside or promoted from within the organisation (IM_SOC # 6.24)
- ◆ In Foundry Insurance, the managing director was willing to find out about the previous inspection service and to lead the implementation of the inspection process (IM_SOC # 6.37)
- ◆ Carton Carrier created implementation teams, consisting of implementors and recipients, who took joint responsibility for installing the new systems that underpinned the parcel delivery process (IM_SOC # 5.51)
- ◆ Foundry Insurance created IT implementation teams with people from different departments and external support (IM_SOC # 6.51)
- ◆ Foundry Insurance's board gave the implementation teams a mandate to implement the inspection process and the supporting information systems (IM_SOC # 6.55)
- ◆ Foundry Insurance's line managers and implementation team members took responsibility for implementing the inspection process (IM_SOC # 6.52)
- ◆ Foundry Insurance created user groups to work with implementation teams during the development of the systems but mismanaged some of their expectations (IM_SOC # 6.54)
- ◆ Carton Carrier's board members and line managers made symbolic changes in support of the parcel delivery process (IM_SOC # 5.62)
- ◆ Foundry Insurance's managing director made symbolic changes to bring people together (IM_SOC # 6.38)
- ◆ People unwilling to accept the changes or unable to meet the required standards after being trained left Carton Carrier voluntarily or were sacked (IM_SOC # 5.45)
- ◆ In Foundry Insurance, engineers and other system users were willing to learn to operate the systems, and their aptitude to use the systems was tested (IM_SOC # 6.47)
- ◆ Depot and assistant depot managers were trained to understand financial accounts and budgets and were willing to learn about managing depot finances (IM_SOC # 5.36)

- ◆ People left Foundry Insurance because they did not accept the proposed changes (IM_SOC # 6.26)
- ◆ Carton Carrier's board members and regional general managers recognised as important people's feelings of fear, insecurity, indifference, confidence and criticism (IM_SOC # 5.60)
- ◆ Foundry Insurance's board members and managers recognised and attempted to reduce people's fears, anxieties and stress levels by changing their own behaviour and by supporting people through the implementation (IM_SOC # 6.35)

C. Interpreting the literature and conjoined second order constructs

These second order constructs are of interest from two perspectives. One, to pinpoint tactics not already evident in the literature. Two, to discover insights into the deeper reasons that explain why people actually implemented the tactics.

The content of second order constructs, (IM_SOC # 5.29, 5.31, 6.37, 6.51, 6.52, 6.54, 6.55) suggest that people were involved in and took responsibility for the changes. The early lead taken by key board members is noteworthy. The people comprised in these second order constructs are from different levels of the organisation, namely chairman, managing directors, line managers and staff. These second order constructs are widely identified in the literature and reconfirm current research.

The second order constructs, (IM_SOC # 5.25, 5.26, 5.27, 5.28, 6.23, and 6.24) reveal that board members took action. In terms of these specific second order constructs they acted to remove senior people, who were detractors, and placed people willing to implement the issues, in charge of the radical process orientation initiative. In Carton Carrier, this required the chairman to take several tactical actions. These included dividing the organisation in two so that he could give operational and managerial control over half the depots to one director. The chairman also entered into and won a power struggle against the incumbent joint managing directors, until they left the organisation, at which point the chairman appointed a new managing director of Carton Carrier. In Foundry Insurance, the Group chairman appointed a senior

manager from another division, with no insurance experience, to support Foundry Insurance's IT department. A short while later the general manager retired and this senior manager was appointed as Foundry Insurance's managing director. The literature rarely advocates the removal of board members by natural or other means as an implementation tactic. However, the literature does indicate that the achievement of radical process orientation is most often associated with the introduction of a new management team.

The second order constructs (IM_SOC # 5.62, 6.38) denote that board members acted to make symbolic changes in support of radical process orientation. These actions included changing the way in which people addressed each other in Foundry Insurance; breaking a hole in the wall of a depot in Carton Carrier; taking risks during implementation and closing down the manager's dining room in Foundry Insurance. These changes were quick to achieve, relatively inexpensive, and delivered both tangible and intangible benefits. They also sent powerful messages about management's intention to act and to implement more wide reaching changes. The tactic of making quick, symbolic changes is underplayed in the literature. Instead, organisations are advised to achieve quick wins, i.e. show tangible (usually financial) benefits quickly. Again this highlights a misjudgement in the focal point of current thinking. Rather than focusing upon quick changes that will deliver benefits, the literature guides organisations to identify benefits without first considering the changes. These second order constructs suggest that the tactic of making symbolic changes should receive greater emphasis in the literature related to the conceptual category, actual implementation of the issues to be managed, and that the tactic of 'quick wins' should be revised to 'symbolic changes for quick wins'. The overarching tactic that binds these second order constructs is that board members took action aimed at achieving of radical process orientation.

The second order constructs (IM_SOC # 5.45, 5.60, 6.26, and 6.35) reveal that people, at all levels, managed a paradox. To explain, Carton Carrier's senior managers recognised that the changes would arouse, in people, feelings of fear, insecurity and indifference, and that these feelings reduce people's commitment to and support for the changes. The senior managers

treated people's feelings as important, yet concurrently, they were taking austere measures against people who were unwilling to accept or unable to meet the demands of the parcel delivery process. This included the joint managing directors, other board members, and a large number of drivers. Foundry Insurance's board members and senior managers faced a similar paradox. Although they did little to support people through the changes at first, this changed as a result of one person having a nervous breakdown. Foundry Insurance's board and senior managers became acutely aware of the need to manage and reduce people's fears, anxieties and stress levels due to uncertainty about their jobs and senior managers changed their own behaviours to deal with managing people's feelings. Yet, board and senior managers had a policy to reduce the head count quickly. The rate at which people left the organisation was high: the average age of the management team fell by 15 years in 12 months; 8 out of the top 10 managers left. The second order constructs (IM_SOC # 6.47 and 5.36) suggest that people at lower echelons had to manage the inverse of the paradox face by board members and senior managers. They had to be open to receive training, and yet, face the risk of being asked to leave the organisation. Managing this paradox is barely recognised in the literature. The second order constructs indicate that this is an essential tactic that needs to be added to the repertoire of actual implementation in the literature. This paradox also suggests that the choice offered in the literature between hard *or* soft tactics is misleading. Managers would be better directed to manage hard *and* soft issues concurrently.

The discussion now turns to the second area of interest in relation to these second order constructs namely, reasons that underpin why people implement the tactics. The second order constructs suggest that the notion of willingness is central to the explanation. To explain, at board levels, the chairmen and managing directors of the case organisations were willing to take responsibility, take action where necessary and manage the paradox that could make them appear insincere and lacking integrity: on the one hand appearing to be sensitive to people's feelings and on the other hand, sacking people. At senior management levels, Carton Carrier's three regional general managers and

Foundry Insurance's key senior managers were willing to take responsibility for implementing the changes. At middle management levels, in Carton Carrier, Malham depot's management team and the implementation team were willing to ensure the rudimentary first version of the parcel delivery process was implemented successfully. Thereafter each depot management team was willing to implement the changes in their depot. In Foundry Insurance, team leaders were willing to support the implementation teams during the migration to the inspection process. At lower levels, drivers in Carton Carrier and clerks in Foundry Insurance were willing to tolerate the paradox that accompanied the changes. Hence, based upon these second order constructs this research argues that the concept labelled as 'willingness of people to implement the tactics' begins to provide an explanation of why people implement the tactics. This concept would be a valuable addition to the literature, which is unable to explain why people implement tactics.

There is insufficient data to define precisely the concept of willingness. However, the second order constructs enable us to begin to outline its features:

- ◆ Levels: willingness needs to exist at all levels from board members to employees.
- ◆ Critical mass: not everyone has to be willing to implement the issues to be managed, but key people at each level need to be willing, e.g. each depot manager while their depot is being changed.
- ◆ Action oriented: for any particular tactic to be implemented, people either are or are not willing to complete the issues to be managed.
- ◆ Choice / priority: in a choice between two or more actions people may be willing to implement some but not all the actions.

D. Resulting theoretical proposition (# 8)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category 'actual implementation of the issues to be managed', the following theoretical proposition is constructed:

Theoretical proposition # 8: Radical process orientation is more likely to be achieved when people are willing to implement the issues that need to be managed to achieve radical process orientation.

7.3.5 Effects of radical process orientation

7.3.5 (i) Refining conceptual category: post implementation of radical process orientation

A. Recapitulating the literature

As there are few studies of organisations that have achieved radical process orientation, the literature's coverage of the conceptual category, post implementation of radical process orientation, is weak. The literature argues for organisations to make continuous improvements to the process after organisations achieve radical process orientation. Organisations that initiate radical process orientation but achieve only partial improvements can either assess the performance improvements they have achieved; and where these are perceived to be adequate financially or politically, organisations can make continuous improvements. Alternatively, organisations can consider a further attempt at implementing the changes.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of 'post implementation of radical process orientation' in the literature are:

- ◆ In Carton Carrier, the parcel delivery process was implemented in all depots so that the organisation operated with consistency (ERPO_SOC # 5.64)
- ◆ Carton Carrier entered into new markets successfully using the parcel delivery process developed to handle Home Merchandise's parcels, without increasing the number of depots (ERPO_SOC # 5.65)

- ◆ Carton Carrier management have regained control over the parcel delivery process (ERPO_SOC # 5.66)
- ◆ Foundry Insurance implemented the inspection process and consequently, achieves substantially improved service levels and fulfils its contractual obligations to comply with relevant statutory regulations (ERPO_SOC # 6.56)
- ◆ Foundry Insurance moved back into profit (ERPO_SOC # 6.57)
- ◆ Foundry Insurance's systems are substantially improved although they were developed on separate platforms (ERPO_SOC # 6.58)
- ◆ In Foundry Insurance, some aspects of the old organisation can still be found in the redesigned inspection process (ERPO_SOC # 6.60)
- ◆ Foundry Insurance's management has better control over the inspection process (ERPO_SOC # 6.59)
- ◆ In Carton Carrier some aspects of the old organisation still remain (ERPO_SOC # 5.67)

C. Interpreting the literature and conjoined second order constructs

The second order constructs reveal that the drivers for change were resolved. Briefly, the drivers for change considered as threats were deep flaws in the previous process, stakeholders changing their relationship and a major financial or operational crisis. The driver for change interpreted as an opportunity was activities that affected customer service being brought under management's control. In respect of the threats, deep flaws in the process, second order construct (ERPO_SOC # 5.64) reveals that Carton Carrier implemented the parcel delivery process in all its depots, and Foundry Insurance implemented the inspection process across the organisation. The threat relating to stakeholders was resolved as indicated by second order constructs (ERPO_SOC # 5.65) and (ERPO_SOC # 6.56) that show that both organisations improved service levels significantly. Carton Carrier retained its traditional Home Merchandise customer base and was able to expand into new third party markets. Foundry Insurance's larger customers are no longer leaving them. Foundry Insurance is able to react quickly to changes in the market place. In terms of the threat of a crisis, the second order construct (ERPO_SOC # 6.57) reveals that Foundry Insurance reversed its financial loss and returned to profit. The organisation was also able to reduce its overdue inspection reports, as 95%

of inspection reports are sent to customers within 24 hours, while the other 5% rarely take longer than 3 days. This has led to substantial productivity increases. Carton Carrier no longer has problems with backlogs of parcels, as demonstrated by their successful entry into the third party delivery markets (ERPO_SOC # 5.65). With the parcel delivery process, Carton Carrier's customers, in most neighbourhoods across the country, receive their parcels on a regular three-day cycle. In respect of the opportunity, the second order constructs (ERPO_SOC # 5.66) and (ERPO_SOC # 6.59) show that management regained control of key activities in the process. These second order constructs suggest a broader set of factors should be considered after the achievement of radical process orientation. The literature related to the conceptual category, post implementation of radical process orientation, focuses upon assessment of performance improvements whereas the second order constructs point to the resolution of the drivers for change, of which performance improvement forms only one part.

However, second order constructs, (ERPO_SOC # 6.60) and (ERPO_SOC # 5.67) show that some aspects of the behaviours found in the previous organisation still remain. In Foundry Insurance, people fearful of losing their job or position allow backlogs of inspection reports to build up. In Carton Carrier, senior managers continue to dictate to those below them in the organisation. Assessing the extent of behavioural residue is overlooked in the literature. These second order constructs suggest that this too should be assessed and that organisations should not expect every aspect of people's behaviours to change.

D. Resulting theoretical proposition (# 9)

Based upon the literature, the second order constructs and above discussion related to the conceptual category 'post implementation of radical process orientation', the following theoretical proposition is constructed:

Theoretical proposition # 9: The achievement of radical process orientation needs to be assessed in terms of whether or not the drivers for change were removed and the extent to which behaviours are unchanged.

7.3.6 Implementors and recipients

7.3.6 (i) Refining conceptual category: implementor and recipient roles

A. Recapitulating the literature

The literature related to this conceptual category separates people into two roles: implementors and recipients. Implementors instigate change and are responsible for its implementation. Included in the category of implementors are board members, senior managers and cross functional implementation team members. Recipients are those who experience the changes, and are mostly line managers and staff. Current research argues that these two roles are distinct and demarcate people to one or the other role.

B. The second order constructs to be conjoined

The second order constructs that were classified as relating to the conceptual category of ‘implementor and recipient roles’ in the literature are:

- ◆ Carton Carrier’s chairman and key directors consolidated their position in the organisation (IM_SOC # 5.30)
- ◆ Carton Carrier’s board devolved operational control of the parcel delivery process to regional general managers and regional functional managers (IM_SOC # 5.31)
- ◆ In Carton Carrier, responsibility for profitability and service quality cascaded from directors to regional general managers to depot managers to assistant depot managers and parcel delivery managers (IM_SOC # 5.32)
- ◆ Carton Carrier’s implementation team members were willing to withstand pressure from shop stewards not to implement the parcel delivery process (IM_SOC # 5.44)

- ◆ In Carton Carrier, regional personnel managers monitored the appraisal system (IM_SOC # 5.42)
- ◆ In Carton Carrier, parcel delivery managers were made responsible for the service quality achieved by a team of van drivers (IM_SOC # 5.55)
- ◆ In Carton Carrier, the managing director raised the service department's profile in the organisation (IM_SOC # 5.48)
- ◆ In Carton Carrier, training and IT managers trained line managers to use the systems, and line managers taught people in their depots (IM_SOC # 5.52)
- ◆ In Foundry Insurance, the board devolved operational responsibility for the inspection process to managers below them in the hierarchy (IM_SOC # 6.41)
- ◆ Foundry Insurance's managers took responsibility for the inspection process, and cascaded this responsibility to team leaders and engineers (IM_SOC # 6.42)
- ◆ Foundry Insurance's board provided people at all levels with substantial training to broaden their range of skills; and board members learnt new skills and convinced managers to learn new skills, and managers convinced team leaders to do the same (IM_SOC # 6.43)

C. Interpreting the literature and conjoined second order constructs

These second order constructs cast serious doubt over demarcation of roles advocated in the literature related to this conceptual category. These second order constructs reveal that people move from the implementor to the recipient role and vice versa. Specifically, the second order construct (IM_SOC # 5.30) suggests Carton Carrier's chairman and managing director were implementors when they consolidated their position of power in the organisation. The second order construct (IM_SOC # 5.31) locates the managing director in a recipient role, as he was given operational control over depot operations in the southern half of the country and asked to prove the parcel delivery process could be implemented successfully. The second order construct (IM_SOC # 5.32) shows a series of role changes, beginning with the managing director as an implementor, in the sense that he ensured regional general managers and depot managers (as recipients) took responsibility for the profitability and service levels of their depot. Then, depot managers became

implementors as they ensured assistant depot managers and parcel delivery managers (as recipients) took responsibility for profitability and service levels. The second order construct (IM_SOC # 5.55) shows parcel delivery managers in an implementor role as they had to ensure drivers achieved agreed service levels. According to second order construct (IM_SOC # 5.44) depot managers were recipients as the parcel delivery process was implemented in their depot; however, they (as implementors) had to stand up to shop stewards (recipients) in other depots. The second order construct (IM_SOC # 5.42) reveals regional personnel manager (as implementors) monitored the appraisal system to ensure the line managers (as recipients) complied with it. The second order construct (IM_SOC # 5.48) suggests the service department were recipients, as their profile was raised. The second order construct (IM_SOC # 5.52) shows training and IT managers (as implementors) developed training modules and taught line managers (recipients) to use the systems. The line managers (as implementors) trained people in their departments (recipients) to use the systems. According to second order construct, (IM_SOC # 6.41), Foundry Insurance's board (as implementors) devolved responsibility for the inspection process to managers (recipients). They (as implementors) cascaded this responsibility to team leaders and engineers (recipients) (IM_SOC # 6.42). Line managers (as implementors) also convinced team leaders and engineers (as recipients) to learn new skills (IM_SOC # 6.43).

These second order constructs refute the current argument in the literature that people's roles should be demarcated into implementors or recipients. The pattern that emerges from these second order constructs is that the roles are indistinct, with individuals moving from one role to the other and, in some instances, fulfilling both roles concurrently.

D. Resulting theoretical proposition (# 10)

Based upon the literature, the second order constructs and above discussion relating to the conceptual category 'implementor and recipient roles', the following theoretical proposition is constructed:

Theoretical proposition # 10: Radical process orientation is more likely to be achieved when implementors and recipients accept these roles as reciprocal, and enact both roles.

7.4 Synthesis: an emergent model for the achievement of radical process orientation

The emergent model is a logical representation for the achievement of radical process orientation. The model is exhibited in Figure 7.1. It has five conceptual domains, namely, commencement, specific changes that need to occur, issues that need to be managed, effects of radical process orientation, and implementors / recipients. Each conceptual domain is constructed from empirically grounded theoretical propositions.

Commencement This conceptual domain begins with the rationale that underpins the initiation of radical process orientation. Radical process orientation is more likely to be achieved when people accept the organisation's drivers for change, which can be opportunities or threats (theoretical proposition # 1). Three threats are interpreted from the second order constructs: one, a breakdown in the organisation's existing process, two, key stakeholders changing or seeking to change their existing relationship with the organisation, and three, operational and financial crises. An opportunity interpreted from the second order constructs is the organisation's ability to bring activities in different functions under management's control. The commencement domain also suggests that once drivers for change are identified, radical process orientation is more likely to be achieved when people establish the need for radical process orientation rather than another type of change initiative (theoretical proposition # 2). This theoretical proposition suggests that organisations recognise explicitly that they have a choice of change initiatives with which to address drivers for change, and that radical process orientation may be inappropriate to their specific circumstances. This research proposes

theoretical criteria to analyse the need for radical process orientation. The need for radical process orientation is greater when the drivers of change require an organisation to co-ordinate changes across several functions and increase levels of managerial and operational interdependence between activities in those functions.

Changes that need to occur This conceptual domain deals with the changes an organisation experiences during the achievement of radical process orientation. This domain suggests that radical process orientation is more likely to be achieved when people recognise organisational elements namely, strategy, structure, people's responsibilities and appraisal criteria, collaborative behaviours, and information systems, will change and that these elements will align to a function *and* process orientation (theoretical proposition # 3). This domain also proposes that radical process orientation is more likely to be achieved when people accept the changes that *actually* need to occur in the organisation (theoretical proposition # 4). This is particularly essential at the board and senior management levels. The second order constructs indicate that where they do not accept that a change actually needs to occur in the organisation that change is rarely implemented. This domain also proposes that people impacted by the changes be willing to allow the actual changes to affect them. Radical process orientation is more likely to be achieved when people, including board members, senior managers, middle managers and staff, are willing to allow the changes to affect them (theoretical proposition # 5).

Issues that need to be managed This conceptual domain refers to the issues that enable the implementation of the changes that need to occur. This domain proposes that radical process orientation is more likely to be achieved when people link the issues to be managed to the changes that need to occur (theoretical proposition # 6). The second order constructs suggest that the case organisations did not follow a prescriptive methodology. Instead they focused the issues they managed to the changes that needed to occur. This domain also proposes that radical process orientation is more likely to be achieved when

people plan for and deploy radical and evolutionary modes of operationalising the issues to be managed (theoretical proposition # 7). This domain also proposes that radical process orientation is more likely to be achieved when people are willing to implement the issues that need to be managed to achieve radical process orientation (theoretical proposition # 8).

Effects of radical process orientation This conceptual domain proposes that the achievement of radical process orientation need to be assessed in terms of whether or not the drivers for change were removed and the extent to which behaviours are unchanged (theoretical proposition # 9). The second order constructs reveal that organisations were able to align the process to the objectives set out by the board, retain their customers by increasing service levels, remove the crisis they faced and bring activities in the process under management's control.

Implementors / recipients This conceptual domain identifies implementors as being responsible of the achievement of radical process orientation and recipients as being affected by radical process orientation. These two categories include employees at all levels in the organisation: board members, senior managers, middle managers, and staff. This domain proposes that radical process orientation is more likely to be achieved when implementors and recipients accept these roles as reciprocal, and enact both roles (theoretical proposition # 10).

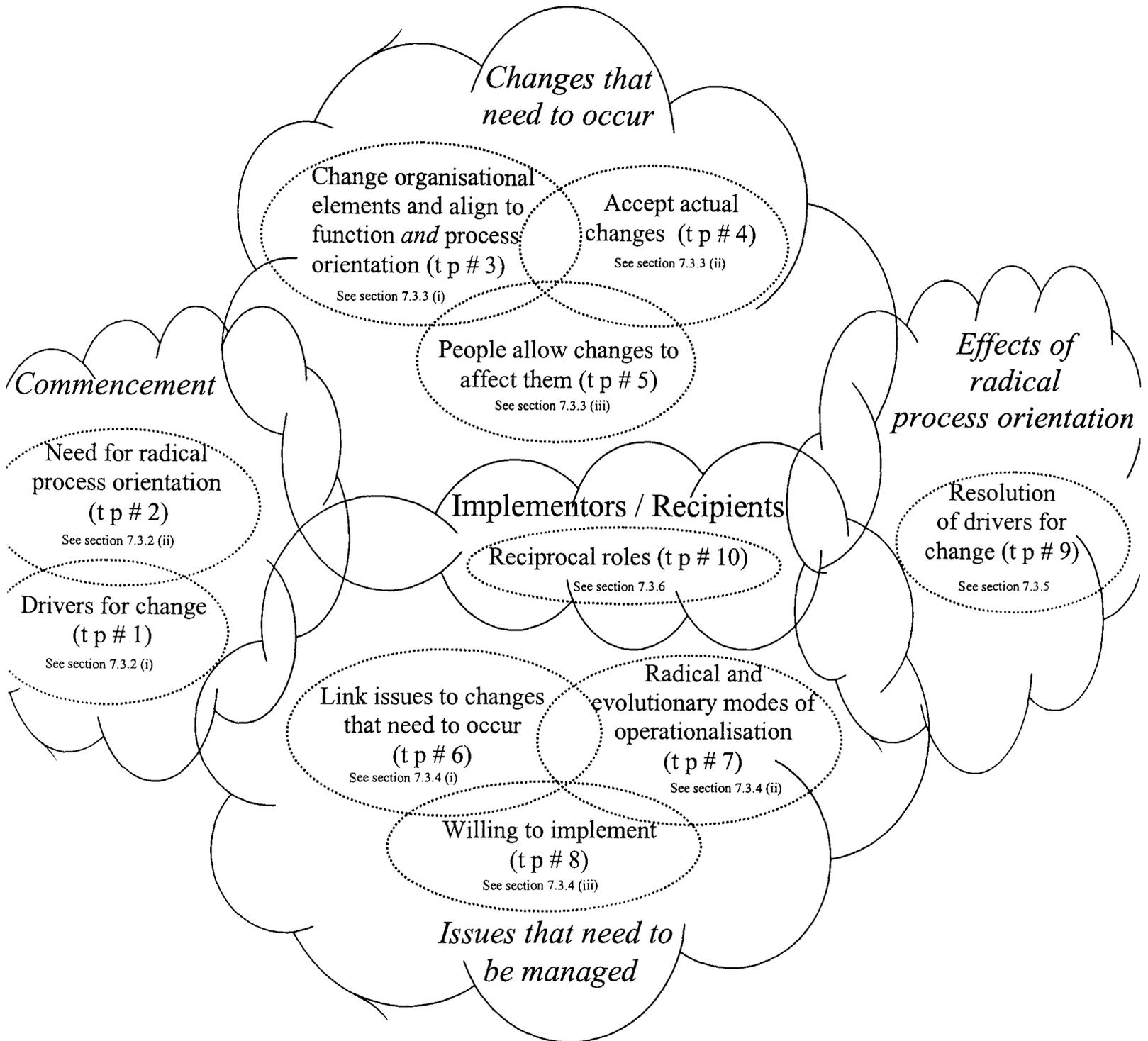


Figure 7.1: An emergent conceptual model for the achievement of radical process orientation constructed from empirical data

Key: t p = theoretical proposition - see relevant section for detail

The theoretical propositions that constitute the emergent model aid the understanding of the achievement of radical process orientation. While this makes each theoretical proposition a necessary component for radical process orientation, from the arguments raised earlier, four theoretical propositions are deemed key to the achievement of radical process orientation. The four are: establishing the need for radical process orientation (theoretical proposition # 2), acceptance of the changes that actually need to occur (theoretical proposition # 4), willingness to implement the changes (theoretical proposition # 8), and the reciprocal nature of implementor and recipient roles (theoretical proposition # 10). Each of these theoretical propositions is considered a defining point during the achievement of radical process orientation. To explain, the theoretical proposition requiring the organisations to establish the need for radical process orientation (theoretical proposition # 2) ensures organisations make a 'conscious' decision to adopt radical process orientation as the means of addressing the drivers for change, or else to set aside radical process orientation and utilise some other type of change initiative to deal with the drivers for change. The acceptance of the actual changes (theoretical proposition # 4) establishes the changes that board members and senior managers believe need to occur. Where the board and senior managers are of the view that the changes should be adaptive or evolutionary in nature, organisations will achieve adaptive process orientation and not radical process orientation. Hence, this theoretical proposition (# 4) has a major influence upon the achievement of radical process orientation. The theoretical proposition dealing with willingness to implement the changes is essential to delivering the changes. Where board members and senior managers are unwilling to take action to implement the changes, radical process orientation will not be achieved. This theoretical proposition requires individuals to make their position clear: either they are willing to act to bring about the changes or they are not willing to do so. The theoretical proposition relating to implementors and recipients (# 10) is vital because unless people are willing both to effect change and also be affected by change, radical process orientation will not be achieved.

7.5 Structural refinements made to the initial conceptual model to form the emergent model

The emergent model develops the initial model in three ways. First, each bin and conceptual category is methodically developed into domains and theoretical propositions respectively for the achievement of radical process orientation. These theoretical propositions are grounded in second order constructs that can be traced back rigorously to data gathered from people actively and directly involved with achievement of radical process orientation. Second, in the initial conceptual model, implementors and recipients were at its periphery and were separated to reflect the literature's demarcation of their roles. However, the implementor / recipient domain is located at the emergent model's centre to highlight the importance of both roles to the achievement of radical process orientation. They are also adjacent to one and other to indicate that people move from one role to the other, and, often fulfil both roles concurrently. Third, the initial model served as a guide for the data collection and analysis phases of this research. However, the emergent model is proposed as a guide to organisations embarking on a radical process orientation initiative. Consequently, two conceptual bins, namely changes that occurred and issues managed, in the initial model are inadequate for the emergent model. The role of these bins in the future is to prompt managers utilising this emergent model in the future, to consider intended changes and issues rather than examine the past. Hence, the conceptual bins 'changes that occurred' and 'issues managed' are re-titled to 'changes that need to occur' and 'issues that need to be managed' respectively.

7.6 Chapter summary

This chapter set out to develop the conceptual category identified from the literature to theoretical propositions based upon empirical data in the form of second order constructs. The theoretical propositions are summarised below in Table 7.1. This chapter also set out to construct an emergent model for the

achievement of radical process orientation by synthesising the theoretical propositions. The emergent model is exhibited in Figure 7.1. This model fulfils the purpose of this research, which is to develop an empirically grounded model for the achievement of radical process orientation.

| Proposition number | Theoretical proposition |
|--------------------|--|
| 1 | Radical process orientation is more likely to be achieved when people accept the organisation's drivers for change, which can be opportunities and threats. |
| 2 | Radical process orientation is more likely to be achieved when people establish the need for radical process orientation rather than another type of change initiative. |
| 3 | Radical process orientation is more likely to be achieved when people recognise organisational elements namely, strategy, structure, people's responsibilities and appraisal criteria, collaborative behaviours, and information systems, will change and that these elements will align to a function <i>and</i> process orientation. |
| 4 | Radical process orientation is more likely to be achieved when people accept the changes that <i>actually</i> need to occur in the organisation. |
| 5 | Radical process orientation is more likely to be achieved when people, including board members, senior managers, middle managers and employees, are willing to allow the changes to affect them. |
| 6 | Radical process orientation is more likely to be achieved when people link the issues to be managed to the changes that need to occur. |
| 7 | Radical process orientation is more likely to be achieved when people plan for and deploy radical <i>and</i> evolutionary modes of operationalising the issue to be managed. |
| 8 | Radical process orientation is more likely to be achieved when people are willing to implement the issues that need to be managed to achieve radical process orientation. |
| 9 | The achievement of radical process orientation needs to be assessed in terms of whether or not the drivers for change were removed and the extent to which behaviours are unchanged. |
| 10 | Radical process orientation is more likely to be achieved when implementors and recipients accept these roles as reciprocal, and enact both roles. |

Table 7.1: Summary of the theoretical propositions developed from case evidence

The chapter that follows concludes this work. It begins by recapitulating the arguments in the preceding chapters that lead to the emergent model for the achievement of radical process orientation. It examines the contribution of this

research to current knowledge about the achievement of radical process orientation. It highlights the limitations of this research study. It then identifies areas of further research that could be undertaken to build upon this research. It also outlines implications for practitioners.

Chapter 8 Concluding remarks

8.1 Chapter introduction

The previous chapters established radical process orientation as the area of study, located this research in the interpretive paradigm, developed an initial conceptual model, developed a research methodology, analysed empirical data from three cases based upon the methodology, and from this analysis developed theoretical propositions that were synthesised to construct an emergent model for the achievement of radical process orientation. This chapter concludes this research work by summarising its salient arguments. It also discusses this research's contribution to the 'business process orientation', 'information systems and business process orientation', and 'radical organisational change' bodies of knowledge. As no piece of research is ever perfect, the limitations of this work and areas for further research studies are discussed. To draw this research to a close, implications for this work for the practitioner community are discussed.

This chapter comprises seven sections. Following this introduction, the arguments that substantiate the emergent model are discussed. Next, the conceptual and methodological contributions of this research to current literature are discussed. The fourth section examines the limitations of this work. Immediately following this areas for further research are examined. The sixth section identifies implications of this work for practitioners. The final section serves as an epilogue to this research.

8.2 Summarising the arguments that lead to the emergent model

Organisations have an inherent tension between the functional structure and the business process. The functions control and define activities, resources and responsibilities, yet a single function rarely satisfies any one stakeholder expectation. Business processes, namely activities that are integrated across

different functions to create outputs that are of value to the stakeholder, fulfil stakeholder expectations. More often than not business processes are barely managed, as each function focuses upon its own priorities, often to the detriment of the process. Recently, tensions between the functional structure and the business process has been exacerbated, as stakeholders, especially customers, become more demanding and sophisticated. Other factors have furthered tensions between the functional structure and the business process. These include the introduction of truly integrated information systems in the organisation, changes in industry structure as a result of new entrants such as internet-based companies and phenomena such as knowledge management. These factors require the conventional balance between functional structure and process, which has favoured the functional structure, to be redressed. Traditionally, organisations adapted the function - business process alignment by changing the business process in an ad hoc, piece-meal fashion. Functions developed their activities at different rates of change and at different times, which resulted in a myriad of separate changes. The intention behind each change was to bring about a convergence between functions and the business processes. However, the changes often resulted in a divergence between functions and business processes. Process orientation emerged as a way of counteracting the divergence between functions and business processes. Process orientation encourages organisations to take a holistic approach to redesigning business processes. Much of the current literature concentrates upon developing models that deal with the initiation phase of process orientation. However, the initiation and implementation of a business process requires radical organisational change, i.e. radical process orientation. Consequently, understanding the achievement of radical process orientation is of central concern to this research.

Much of the current research into process orientation has been done from a functionalist perspective. Hence, the focus has been on conducting large-sample studies (Grover et al. 1998; Kettinger et al. 1997) to develop models with discrete stages and specific implementation steps. Consequently, these models are prescriptive in nature, requiring systematic analysis and the creation of

detailed plans in which people are allocated discrete roles as either implementors or recipients. Moreover, the theories, e.g. contingency theory and systems theory, used by functionalist researchers to underpin these models lead to adaptive organisational change (Burrell and Morgan, 1979). Thus, these prescriptive models are deficient not only because they understate the social interaction between people during the achievement of radical process orientation but also because their theoretical foundations lead to adaptive organisational changes.

A few researchers studied process orientation from an interpretive perspective. The interpretive perspective, and the intellectual assumptions that underpin it, is conducive to the study of achievement of radical process orientation. This perspective is better geared to understand the social aspects associated with the achievement of radical process orientation. However, very little research effort has gone into studying the achievement of radical process orientation from an interpretive perspective.

Researchers in the interpretive and functionalist paradigm diminish radical process orientation into adaptive process orientation. They do so by positioning their research to be the study of radical process orientation, whereas the organisations in these studies implemented adaptive process orientation. The common theme to emerge is that organisations are encouraged, during the initiation phase, to develop radical and innovative processes but are then advised to implement adaptive organisational changes. Consequently, the changes take too long to be implemented, senior managers become impatient because anticipated significant performance improvements fail to materialise, employees become cynical about process orientation because the status quo remains intact and the organisation continues to face drivers for change that sparked radical process orientation. Thus, this research takes an interpretive perspective to study organisations that have initiated AND implemented radical process orientation. The literature was analysed into ten conceptual categories that identify issues considered relevant to the achievement of radical process orientation. Drawing on these conceptual categories, an initial model for the achievement of radical process orientation was developed. This model consists

of four conceptual bins labelled *commencement*, *changes that occurred*, *issues managed*, and *effects of radical process orientation*. Thus, this research's interpretive perspective and the initial conceptual model frame its research objective and question.

A methodology was established to ensure this research deployed rigorous and credible methods to fulfil the research objective and address the research question. The intellectual foundations of this methodology are rooted in an approach that places the views of people actively involved in and with direct experience of the achievement of radical process orientation, namely implementors and recipients, as the focal point for penetrating and understanding achievement of radical process orientation. The work of Schutz (1899 - 1959) is used to shape the collection and interpretation of data, and to form a methodical bridge between this data and the theoretical propositions, which form an emergent model for the achievement of radical process orientation. To ascertain the view of implementors and recipients involved actively and directly in achievement of radical process orientation, a case study approach was designed. Cases were selected where they had achieved radical process orientation. This is reflected in the three theoretical criteria used to determine their inclusion, namely business process orientation, radical organisational change, and the business process had to be operational for a period of six months. Data was collected from people directly involved with the achievement of radical process orientation through semi-structured interviews. To strengthen the robustness of the interview data, several people were interviewed to corroborate individual accounts, and data was collected from several sources for the purpose of triangulation. The case study design laid out a clear trail of evidence that ensured theoretical propositions could be traced back to case evidence. This trail used first order constructs and second order constructs to make the data and its interpretation transparent.

A pilot study was conducted in Financial Data to assess the cogency of the case study design. The pilot revealed that this design was robust and workable. It also revealed that people who were not actively and directly involved with the achievement of radical process orientation were poor sources

of data, as they had insufficient information to address the interview questions. The pilot led also to the design being refined to include recipients as a source of data. Consequently, gaining the recipient's perspective of the achievement of radical process orientation was included in the initial conceptual model. Subsequent attempts to collect recipient data from Financial Data were refused. Financial Data's second order constructs are taken no further because recipient data is missing. Nonetheless, the conclusion drawn from the pilot study is that the case study design, subject to the above refinement, would adequately discharge the research objective and research question.

The refined research design was deployed in Carton Carrier and Foundry Insurance. A rich description of the achievement of radical process orientation in these organisations was developed through an interpretation of the first order constructs. The first order constructs and their interpretation led to second order constructs, which were classified according to the conceptual categories identified in the literature. The analysis of the case studies yielded 127 second order constructs. These second order constructs were conjoined on the basis of their conceptual category classification. This enabled the conceptual categories that formed the initial conceptual model to be developed from an interpretation of the second order constructs and current theory. The resulting theoretical propositions were synthesised into an emergent model for the achievement of radical process orientation. The theoretical propositions and emergent model fulfil the research objective and research question of this work.

8.3 The contribution of this thesis

8.3.1 Clarification of concepts

The process orientation literature currently defines radical change in terms of the magnitude of performance improvements to be achieved (Davenport, 1993; Hammer and Stanton, 1995; Stoddard et al. 1996). However, this research argues that this definition is misplaced and that the

conceptualisation of radical organisational change propounded currently in the process orientation literature should be replaced.

The evidence from Carton Carrier and Foundry Insurance reveal that radical process orientation should be conceptualised in terms of radical changes to organisational elements such as strategy, structure, responsibilities and appraisal criteria, collaborative behaviour and information systems. This conceptualisation, derived from the second order constructs, contributes to current process orientation research at a theoretical and a practical level. Theoretically, it overcomes the criticism that the current conceptualisation of radical process orientation is imprecise. People within organisations can negotiate and agree the potential magnitude of change that will be made to each organisational element, rather than only setting a stretch performance improvement target. Practically, it addresses a crucial weakness in the literature, namely management's lack of appreciation of the change aspects of a radical process orientation initiative. Focusing on the content of change to specific organisational elements ensures board members and senior managers recognise the change aspects of a radical process orientation initiative.

8.3.2 The emergent model for the achievement of radical process orientation

The existing models in the literature are prescriptive in nature. They are based on an assumption that people in organisations share a single reality. The emergent model from this research is rooted in the belief that individuals in the organisation construct reality, and that these individuals are unlikely to remain neutral and objective about the changes that need to occur. This model enables people to structure and share their subjective views so that they can negotiate areas of disagreement in order to research a shared view of the radical process orientation initiative. For example, this model suggests that unless people, especially board members and senior managers, agree there is a need for radical process orientation such an initiative should not begin.

The emergent model is definitely not prescriptive in nature. There are no discrete stages and implementation steps. The model is structured to suggest that organisations iterate around each domain in an attempt to balance the deeper change dynamics. To explain, there is a dynamic interplay between theoretical propositions within each domain. The interplay in the *commencement* domain suggests that organisations proceed with radical process orientation once people in the organisation are able to establish the need for radical process orientation. Organisations that are unable to establish the need for radical process orientation should address the drivers for change with other change initiative options. Within the *changes that need to occur* domain, organisations are more likely to achieve radical process orientation when the theoretical propositions in this domain are in balance. In other words, people recognise that organisational elements such as strategy, structure, responsibilities and assessment criteria, behaviours and information systems will form the content of the change and that the nature of the change will be to align the organisation to a function *and* process orientation; and people accept the changes that *actually* need to occur; and they are willing to allow the changes to affect them. Where, for example, a gap appears between the changes people recognise need to occur and those they accept will *actually* occur, it is unlikely that all the changes necessary for the achievement of radical process orientation will be implemented. Where a gap appears between changes people *actually* accept will occur and their willingness to allow the changes to affect them, the emergent model suggests that the changes that need to occur to achieve radical process orientation are unlikely to be implemented. Where the changes are not implemented, radical process orientation will not be achieved. In the *issues that need to be managed* domain, people link the issues that actually will be managed to the changes that need to occur. Where gaps appear between the issues that need to be managed and the changes that need to occur, the emergent model predicts that the changes that need to occur are unlikely to be implemented. People have to be willing to implement the issues that need to be managed. Where a gap emerges between the issues that are adapted to the organisation's context and people's willingness to implement the issues, the changes that need to occur are unlikely to be

implemented. In each instance that a change that needs to occur is not implemented, the emergent model predicts that radical process orientation is unlikely to be achieved. However, where organisations are able to minimise the gaps between the theoretical propositions, the model predicts that the radical process orientation will be achieved and that the effects will be the resolution of the drivers for change.

8.3.3 Challenges to the current orthodoxy

The literature assumes that radical process orientation initiatives are an appropriate response to drivers for change faced by organisations. However, the literature suggests no criterion by which organisations can assess whether or not radical process orientation is relevant to their particular context. This research proposes two tentative criteria that could be used to assess the need for radical process orientation. One, where the changes have to be co-ordinated across several functions. Two, where greater functional interdependence is necessary at a managerial and operational level.

Researchers currently place great emphasis on the importance of gaining and sustaining people's buy-in. This research introduces the concept, acceptance of the changes that *actually* need to occur, which is substantively different to the conceptual category of buy-in as defined in the current literature. To be sure, the literature asks people to buy-in to drivers for change, organisation's vision or redesign methods. The concept of acceptance of the changes that actually need to occur suggests people be asked to accept the intended content and nature of changes to be made to organisational elements. Two consequences arise from this conceptualisation. First, the content and nature of change to organisational elements identified in this research (see theoretical proposition # 3) are coupled to people's acceptance that the changes *actually* need to occur in the organisation. Second, the concept of buy-in in the literature is misdirected, as people are being asked to buy-in to superficial issues that are unlikely to influence the achievement of radical process orientation. The second order constructs suggest that a more significant determinant of the

achievement of radical process orientation is people's acceptance of the changes to organisational elements that actually need to occur.

The literature suggests that the changes affect people at the lower levels of the organisation. Board members and senior managers are placed above the changes in the role of implementors. This role is deemed to be discrete from that of recipients. Implementors are the creators and instigators of change whereas recipients experience the changes. This research demonstrates through case evidence that board members and senior managers are affected by the changes that occur during the achievement of radical process orientation. This research shows that the implementor / recipient roles are reciprocal, with people moving from one role to the other.

The literature directs organisations to achieve 'quick wins', i.e. short-term financial benefits. However, the literature neglects the changes that need to be made to achieve these quick wins. This research introduces the notion that organisations should focus upon designing and making symbolic changes to attain quick wins. These changes can be undertaken in a short period of time to demonstrate benefits from radical process orientation.

8.3.4 Taking an interpretive approach to the study of radical process orientation

Much of the current research is guided by the functionalist orthodoxy. The intellectual assumptions and theories that underpin the functionalist paradigm are unsuitable to the study of radical process orientation. They lead to prescriptive models that pay insufficient attention to the deeper social aspects of achieving radical process orientation. From the interpretive perspective, researchers conducted longitudinal studies in organisations that planned to implement radical process orientation but actually implemented adaptive process orientation (Currie and Willcocks, 1996). There are important lessons to learn from studies of failure to implement radical process orientation, e.g. underestimating vested interests can prevent radical process orientation from being implemented. However, little research has been carried out in

organisations that have implemented radical process orientation. This research partly fills this gap by focusing upon organisations that have initiated and implemented radical process orientation, and it avoids the functionalist paradigm. It adopts an interpretive perspective to develop a rich picture of the achievement of radical process orientation. This rich picture consists of vivid accounts of implementors and recipients directly involved in the achievement of radical process orientation, and an interpretation of these accounts. The methodical trail of evidence ensures that the pragmatic insights derived from the cases are robust and credible. This research makes a further methodological contribution, to the radical process orientation literature, by gathering the view of recipients. Current literature develops models and frameworks based upon the views of implementors, with the virtual exclusion of recipients' views. This significantly weakens the extant theories as a vital source of information is neglected. This research argues that researchers should adapt their case study designs to include recipients.

8.3.5 Contribution to the IS/business process orientation literature

The emergent model contributes to the IS/business process orientation body of literature in two ways. Much of the current research in this field focuses upon a single topic to the virtual exclusion of others. Topics for inquiry include politics (Sayer, 1998), behaviour (Zaidifard, 1998), knowledge based systems (Nissen, 1998), the implementation of software (Ross, 1999), and IT infrastructure (Broadbent et al. 1999). While each of these studies illuminates the specific, they are limited in the sense that the interplay between each of these topics is missing. Hence the first contribution of the emergent model is to provide a holistic framework within which studies such as these can be understood. This contribution is exemplified by Broadbent et al.'s (1999) argument that cross functional IT infrastructure leads to business process orientation being implemented faster. This suggests that organisations embarking on business process orientation should invest in such an infrastructure. However, the emergent model suggests that IT is only one

organisational element that needs to take on a process orientation. It indicates that there needs to be agreement in the organisation that changes to IT and the other organisational elements will be managed in functional and process dimensions. A focus on one organisational element may limit the amount of benefit gained from the investment in IT infrastructure.

The second contribution to the IS/business process orientation literature is the insights it provides when attempting to explicate business process orientation. In order to demonstrate the insights provided by the emergent model, two published cases in which IS played a prominent role during the achievement of radical process orientation were reinterpreted using the emergent model as the analytical framework. One case is that of a bank (Currie and Willcocks, 1996) and the second case is of a hospital unit referred to as ACAD (Sillince and Harindranath, 1998). The detailed analysis of the two cases is presented in Appendix 7.

These two publications were selected because both are instances of disconfirming cases, that is, they describe organisations that set out to implement radical process orientation but actually implemented adaptive process orientation. According to Miles and Huberman (1994), the use of disconfirming cases in this way increases the confidence in the conclusions reached in qualitative research.

The emergent model provides further insights into ACAD's and the bank's inability to achieve the planned radical process orientation initiative. The model suggests that members of the management team in both organisations assumed that radical process orientation was the most appropriate change technique. Neither management team addressed whether or not the organisation should co-ordinate changes across several functions or whether operational and managerial interdependence increased. ACAD focused primarily on one organisational change element, namely information systems. Changes to other organisational elements, e.g. structure, behaviours, and responsibilities, were barely considered. A consequence of this is that inappropriate and incomplete issues were identified and managed, as IT changes received the most attention.

While the organisational changes identified by the bank were similar to the emergent model, they too focused upon IT and structural aspects of change.

ACAD also failed to gain the acceptance of the actual changes from key staff groups such as consultants and senior nursing staff. These people therefore felt excluded and isolated, which resulted in withdrawal of their support. People within the bank were barely consulted about the actual changes that needed to occur. Implementors in the bank took the view that people would support the change.

The ACAD implementors did not recognise that staff were unwilling to allow the changes to affect them. This realisation came about when staff openly rejected the proposed changes. The bank's implementation expected people to allow the changes to affect them and hence barely considered people's concerns.

The implementation teams in both organisations attempted to achieve radical process orientation through an evolutionary implementation mode. Opportunities to take a radical mode of operationalising the issues to be managed were avoided. Implementors in both organisations were also ill prepared for managing the paradox of empowering people while at the same time being directive. It is also apparent that the ADAC team consisted of implementors only, and they were unaffected by the changes, i.e. they were not recipients. Hence, they were often highly insensitive to the concerns of recipients, which resulted in recipients distancing themselves from the business process orientation initiative. The bank's implementation team included line managers, however, once on the implementation team they took on the role of an implementor. Both organisations overlooked that recipient and implementor roles are reciprocal.

These fresh insights gained by analysing the case through the emergent model indicate that the radical process orientation initiative would result in adaptive process orientation being implemented.

8.3.6 Contribution to the radical organisational change theory

This research contributes primarily to that section of the radical organisational change literature, which deals with implementation (Meyer et al. 1995). This section of literature falls into two broad categories (Ginsberg and Buchholtz, 1990). Researchers in both categories tend to emphasise mutually exclusive assumptions about organisational change (Hrebiniak and Joyce, 1985). One category of researchers focus upon inertial forces such as reliance on formulae of success, beliefs sets and ideology (Hannan and Freeman, 1989; Miller and Friesen, 1980).

The other category believes that radical organisational change is a proactive response to external opportunities or threats. They focus upon the factors that enhance the organisation's proactive position, e.g. marshalling necessary resources, effective leadership and developing competencies (Bourgeois and Eisenhardt, 1988; Hamel and Prahalad, 1994; Porter, 1980). Ginsberg & Buchholtz (1990) criticise this polarisation and argue that the interaction of inertial forces and proactive choice lead to the implementation of radical organisational change (Ginsberg and Buchholtz, 1990). The emergent model supports Ginsberg and Buchholtz's assertion as data from the case studies suggests that implementors and recipients of radical organisational change faced inertial forces and made proactive choices within each domain and specifically, for each theoretical proposition within the domain. For example, Carton Carrier had to overcome the prevailing belief that poor customer service was acceptable. Concurrently, the board set out proactively to regain control over activities that affected customer service.

8.4 Limitations of this research

This research shares a limitation that is similar to other interpretative studies; namely it is subjective in nature, as interpreting data is an individualistic activity. Researchers bring their biases and preconceived notions to the act of interpretation and these invariably influence the outcomes (Legge, 1984).

Moreover, all acts of interpreting data are based on the researcher's personal 'common sense' understanding and their stock of knowledge. As this varies for each researcher, it is likely that two people will interpret data differently. Functionalist researchers, in particular, criticise interpretive work for exactly these reasons. In an attempt to mitigate this limitation, this research discloses people's first order constructs and this researcher's interpretation of the data. By doing so, this research exposes what is often concealed in other interpretive studies.

Gaining access to information was at times problematic. Access here refers not only to case study sites but also people with information relevant to this research's research objective. This researcher would have preferred to have conducted a greater number of case studies, however, organisations were unwilling to participate. In the case studies that were conducted, directors in the gatekeeper role were supportive while they were in their current role. However, their position changed during the study and this influenced other interviewees. For instance, Financial Data's deputy managing director was transferred and a request to interview recipients was refused by his successor. A similar situation arose at Foundry Insurance. This led to delays in arranging appointments and these being cancelled at short notice. The semi-structured interviews were on occasion interrupted by interviewees taking phone calls or being called away to deal with operational issues. This broke the flow of the interview and valuable time was taken up to re-establishing the discussion. At times, the interviewees dropped their voice and as a result, minor parts of their responses could not be transcribed.

8.5 Areas for further research studies

All research is based upon a limited number of research questions. Yet in the course of addressing one set of questions, others arise which expose areas that require further investigation. This section examines areas that require further research.

This research has shown that people occupy the dual roles of implementor and recipient. This duality is barely recognised in current research, and further research in this area would question the modes of the transition between roles, preparing people to perform one or other role, implications of people performing only one role upon radical process orientation, and effects of dual roles upon people in terms of stress, anxiety and resistance to change. Further studies into this area should be conducted on an exploratory basis. Researchers should endeavour to use ethnographic methods in a longitudinal case study design. This would enable researchers to observe, over time, the dual role people play during the achievement of radical process orientation.

Another area for research is to investigate the financial implications of the theoretical propositions constructed in this exploratory research. Such a study would focus upon the financial costs necessary to operationalise the emergent model. Of particular interest would be the impact of radical process orientation on the organisation's fixed assets. This type of study might lend itself to quantitative methods exemplified by the use of instruments, such as a structured questionnaire and predetermined definitions of costs to gather comparative information. This would enable comparisons to be made across different organisations and industries.

Another area for further study is the organisations that apply the emergent model to a radical process orientation initiative. This would lead to the model being refined and developed from a practical perspective. The study might span several organisations from one industry to determine whether or not the changes that need to happen and issues to be managed can be refined to particular sectors. Studies in this vein would find the action research method suitable.

An area for research is to develop methods for assessing people's perspective of each theoretical proposition. For instance, researchers could develop and test instruments that assess people's acceptance of the drivers for change, their recognition that organisational elements will change and align to function and business process, and their willingness to change organisational elements. This research might be conducted using qualitative methods.

Researchers could conduct case studies using methods such as repertory grid to gather data and develop instruments to measure user perceptions for each theoretical proposition.

8.6 Implications for practitioners

This research identifies several areas that are relevant to practitioners. One, current prescriptive models make an assumption that drivers for change lead directly to the initiation of radical process orientation. This research suggests that organisations should establish the need for radical process orientation. There are practical implications associated with neglecting to establish the need for radical process orientation. Some organisations might embark on another type of change initiative when radical process orientation is relevant, and hence waste valuable resources and time. Other organisations may choose radical process orientation when people consider it inappropriate, thereby causing delays in addressing the drivers for change. This is evident in one survey of North American companies, in which managers reported that they spent up to two years ‘softening up’ functional directors before they could begin to discuss radical process orientation (Grint and Willcocks, 1995 p. 107). Two, the assumption that the implementation of radical process orientation can be controlled by a small number of people, for example the redesign team, is flawed. This research argues that people move between implementor and recipient roles. Recipients become the implementor of an issue that needs to be managed once they have accepted or internalised that issue. The corollary of this is where individuals find an issue unacceptable they are unlikely to be able to adopt the implementor role with conviction and integrity. Individuals that are unable to take an effective implementor role are likely to resist implementing the changes. Three, practitioners need to recognise that board members and senior managers are also recipients of the changes. There are practical implications of continuing to treat board members and senior managers as though they are implementors only. Following the widely accepted argument in the literature that those most affected by changes are also most likely to resist them: if these

two groups are treated as implementors, they will be overlooked as potential sources of resistance. A deeper concern is that their personal determinants of resistance, be they, their fears, anxieties, or loss of power, will remain unrecognised and unmanaged, leading perhaps to a prolonged and greater unwillingness to allow the changes to occur or to affect them. Moreover, during radical process orientation's initiation phase, board members and senior managers have substantial influence over identifying and legitimising the changes that *actually* need to occur in the organisation. Where board members and senior managers do not accept that a change *actually* needs to occur, case evidence suggests that the change will be excluded from the implementation of radical process orientation. This could jeopardise the achievement of radical process orientation. Four, this work highlights that organisations need to beware adopting prescriptive models that neglect the social aspects of reaching a common understanding of the need for radical process orientation, the changes that need to occur and issues to be managed.

8.7 Closing remarks

The achievement of radical process orientation is complex, painstaking and laborious because it requires people, from different functions and hierarchical levels, to construct a shared perspective of the need for radical process orientation, the changes that need to occur, and the issues that need to be managed. In reaching this consensus individuals reflect upon their own beliefs about the organisation. They fall back on their own knowledge and prior experience; and at a point in time, they realise that these very things, that are so integral to each one of us as individuals, have to be relinquished, in order to reach some common ground with colleagues. It is at this point that the achievement of radical process orientation begins or simply peters out into adaptive process orientation. Where people let go and are open to embrace the challenges of questioning their own beliefs, of discarding knowledge they have nurtured for years, and of recognising that their experience no longer serves them, radical process orientation has the potential to succeed. This research

assists people in organisations to establish a shared perspective that is vital to the achievement of radical process orientation.

The Road Not Taken

Two roads diverged in a yellow wood,
And sorry I could not travel both
And be one traveller, long I stood
And looked down one as far as I could
To where it bent in the undergrowth;

Then took the other, as just as fair,
And having perhaps the better claim,
Because it was grassy and wanted wear;
Though as for that the passing there
Had worn them really about the same,

And both that morning equally lay
In leaves no step had trodden black.
Oh, I kept the first for another day!
Yet knowing how way leads on to way,
I doubted if I should ever come back.

I shall be telling this with a sigh
Somewhere ages and ages hence:
Two roads diverged in a wood, and I -
I took the one less travelled by,
And that has made all the difference.

Robert Frost

(Robert Frost Selected Poems,
1955, Penguin Books)

Glossary

This glossary contains a brief explanation of the key terms used throughout this thesis. Its purpose is to provide the reader with a quick reminder of the terms.

| Term | Explanation |
|-------------------------------|--|
| Business process orientation | Forms the terrain of this research and refers to organisations identifying and managing business processes that cut horizontally across functional boundaries |
| Business process | Refers to activities that are integrated, across different functions, to create outputs that are of value to one or more stakeholder |
| Achievement | Refers to the initiation and implementation phases that effect a business process in an organisation, and the related consequences that arise from implementation |
| Radical organisational change | Refers to changes that are made to elements of an organisation that leads to the transformation <i>of</i> the organisation as opposed to an adaptive change <i>in</i> the organisation |
| Radical process orientation | Refers to the achievement of a business process that culminates in a transformation of the organisation |
| First order construct | Refers to the experiences people directly involved with radical process orientation consider important to its achievement and takes the form of interview data |
| Second order construct | Represent the researcher's interpretation of the first order constructs |
| Conceptual category | Refer to issues that are considered important to the achievement of radical process orientation in the existing literature |
| Conceptual bins | Are an intellectual representation of the conceptual categories derived from the literature |
| Implementors | Are the people who are responsible for designing and implementing the process-related changes |
| Recipients | Are the people who receive the changes, and hence must adopt and adapt to the changes |

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Appendices

Appendix 1: Schedule of interview dates

This appendix lists the schedule of meetings held for collecting material for the case studies described in Chapters 4, 5, and 6 and the relevant supporting appendix, namely 4, 5 and 6. Only formally scheduled meetings are tabulated. The meetings for each organisation are listed in two sections: preliminary meetings and in-depth meetings

| Organisation | Date | Contact role |
|--------------------------|---------------------------------|---|
| | | |
| Financial Data | Preliminary meeting | |
| | April and May 1993 | Several phone calls were made to arrange a meeting with the deputy managing director. |
| | 10 th June 1993 | Deputy managing director |
| | | |
| | In-depth meetings | |
| | 25 th August 1993 | Deputy managing director |
| | 23 rd September 1993 | Technical director |
| | 24 th September 1993 | IS manager |
| | 10 th November 1993 | Technical manager |
| | 17 th February 1994 | Technical manager |
| | 17 th February 1994 | Technical director |
| | 22 nd February 1994 | Divisional business manager |
| | 22 nd February 1994 | IS manager |
| | 21 st March 1994 | Deputy managing director |
| | | |
| Foundry Insurance | Preliminary meeting | |
| | November 1994 to February 1995 | A number of phone calls were made to arrange a meeting with the managing director. |
| | 6 th March 1995 | Managing director and deputy managing director |
| | In-depth meetings | |
| | 4 th May 1995 | Customer services manager |
| | 4 th May 1995 | Implementation team member |
| | 4 th May 1995 | Deputy managing director |
| | 4 th May 1995 | Implementation team leader |
| | 4 th May 1995 | Department team leader |
| | 4 th May 1995 | Engineering manager |
| | 7 th July 1995 | Customer services manager |
| | 7 th July 1995 | Implementation team leader |

| | | |
|-----------------------|---------------------------------|--|
| | 7 th July 1995 | Department team leader |
| | 7 th July 1995 | Deputy managing director |
| | 7 th July 1995 | Implementation team member |
| | | |
| Carton Carrier | Preliminary meeting | |
| | June 1995 | Arranged to meet the commercial director |
| | 11 th July 1995 | Preliminary meeting with the commercial director |
| | In-depth meetings | |
| | 28 th September 1995 | Team member |
| | 29 th September 1995 | IT co-ordinator |
| | 29 th September 1995 | Driver |
| | 29 th September 1995 | Depot manager |
| | 29 th September 1995 | Assistant depot manager |
| | 2 nd November 1995 | Personnel manager |
| | 2 nd November 1995 | Regional general manager |
| | 3 rd November 1995 | Services manager |
| | 3 rd November 1995 | Managing director |

Appendix 2: Interview schedule

Interviewee information:

Name of interviewee:

Date of interview:

Name of organisation:

Introduction

Note to the researcher: Begin by providing information about you, an overview of the research and the purpose of the interview.

Questions

1) Could I ask you to look back and reflect on what has changed in the organisation in the past __ years?

Prompts:

| | | | | | | | | | |
|--------------------------------------|--|--|--|--|--|--|--|--|--|
| <i>Actor's initials</i> → | | | | | | | | | |
| • appraisal criteria | | | | | | | | | |
| • skills | | | | | | | | | |
| • roles | | | | | | | | | |
| • responsibilities | | | | | | | | | |
| • reward structures | | | | | | | | | |
| • number of people leaving / joining | | | | | | | | | |
| • information systems | | | | | | | | | |
| • other systems | | | | | | | | | |
| • process owners | | | | | | | | | |
| • process teams | | | | | | | | | |
| • power bases | | | | | | | | | |
| • reporting lines | | | | | | | | | |
| • hierarchy | | | | | | | | | |
| • culture | | | | | | | | | |
| • benefits | | | | | | | | | |
| • individual's role in change | | | | | | | | | |

2) With the benefit of hindsight what critical issues were managed in order to achieve the change? Please reflect on all the issues and then we will examine each in turn.

Note to the researcher : Keep a note of the list as you need to ask about these.

3) Why do you think each issue is important?

Appendix 3 Extract from an interview showing the identification of themes

This extract is from an interview with Foundry Insurance's deputy managing director.

| | |
|--|---|
| <i>comment</i> | WHAT HAS CHANGED IN THE PERIOD? |
| <p><i>400 Central systems.</i></p> <p><i>Example of central systems</i></p> <p><i>400 skills</i></p> <p><i>central systems</i></p> <p><i>c culture</i></p> <p><i>or hierarchy</i></p> <p><i>or culture</i></p> <p><i>alter</i></p> | <p>I think, I think being ? changed from complacency through to, 'this is becoming quite a heck of a life, this through from, uh, and I can put it at the senior levels, is that people in senior levels had fairly good easy going jobs. The pressures were there but they were gentle pressures. They didn't realise what pressures were, I don't think either. And here comes the sort of change which says 'Well come on, what are you doing about it - what are you planning - what are you doing, and these are things that people didn't have to think about before. Um, people became responsible for the budgets, whereas before they had budgets but they were always just merely some of the expense budget. About a third budget was actually budgetted; the other two-thirds were controlled centrally so that people didn't have any direct responsibility for things like staffing numbers and so on because 'that was Sir's job'. So if you wanted an extra member of staff to replace, you had to get Sir's permission. These are the changes, and in fact one or two people found difficulty in taking on extra responsibility because they hadn't been developed in responsibility.) (And a bit more sort of, uh, I don't know, the Head Office syndrome is that we control everything and it comes through us and we check and double-check and so on) (It was actually stifling initiative elsewhere as well.) So it was huge - whole range of things (it was a very inward looking company) (very sort-of vertically structured.) 'I've got my job, hands off. What's it gotta do with you. What's my contribution to the organisation. I don't know, but I got this job.' And at the senior levels, it was status. And (I could put it like the first business plans when I came here, the business plans existed of a page and a half that was submitted to our parent company which is all the sort of general picture we ruled; Support the company and we will do this, and we will gender growth, and all that sort of stuff (Now we've produced business plans which are two or three inches thick because people now start actually thinking of what they are going to do.) (So people have been thinking about things collectively,) and that's also a change. The change - you could think of almost any change and you could say, ^{it} applied to NV. It was really taking a culture that was very inward looking and become outward looking, and had been business like.</p> |

rationale for

Example of CI

Example of CI from page 4

CI issue

Appendix 4 Financial Data: first order constructs, interpretation and second order constructs

D1_4.3 Commencement

4.3.1 A and 4.3.1 B are located in the body of Chapter 4.

4.3.2 A. Conjoining first order constructs

“We were faced with considerable problems in terms of the clients’ perception of the quality of service provided by Financial Data. Not so much in terms of the products themselves which generally and throughout have always been considered to be very good and have got an excellent reputation. It was more a question that the way we serviced our clients being, even down to the attitude of our staff, the slowness with which we handled queries, problems, complaints, the fact that our billing was so often incorrect and late.” (Deputy Managing Director)

“Release time - 7 weeks, 8 weeks lead time. I can remember I started trying to measure the lead times in the old environment and I worked out it took something like 30 calendar days for an order to get from a sales person to an engineer for him to even look at doing anything for it. Once he got it, it took him 30 days to install it. Ludicrous. No excuse for that first 30 days, even if one could try and find a logistic excuse for the second 30 days ... There was no measurement as to whether the order was actually done in the way the customer wanted it done in timescales or, indeed, the product. Our customers were appalled with us. Invoices, lead times, service they were getting, reacting to their needs, sales calls people didn’t call back.” (Implementation Team Member)

“In the UK, for example, before we changed all this, to get a contract even if you were a very good bank and had a history with us of ten years, never had a problem with you, it took six weeks just to get a contract (and this) didn’t mean you got delivery.” (Implementation Team Leader)

“The way in which the old ordering process was built up it was very easy to lose track of the fact you were coping with an order for a customer and people just saw bits of paper going from one department to another and they were dealing with the paper and losing sight of the fact that it was actually a continuous chain the whole way through to delivery to the customer.” (IT Manager)

4.3.2 B. Interpretation and second order construct

Financial Data offered clients products that were of good quality and performed well. However, clients had to wait at least 60 days to receive even basic products, and hence were dissatisfied with the service levels they received. Longstanding clients with blue-chip reputations were treated in the same way as a new client. People within Financial Data did not resolve client enquiries or problems effectively. People tended to lose sight that customers were waiting for a product; instead, people in each function focussed on sending memos to each other. Customers not only faced long delays but also received incorrect invoices, and the wrong products.

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| Financial Data's clients were deeply dissatisfied with the service levels they received. (C_SOC # 4.2) |
|--|

4.3.3 A. Conjoining first order constructs

“Often months after the installation was carried out, our billing would be sent out, so that people therefore constantly questioned its accuracy, its validity, sometimes they couldn't even remember the installation taking place, so they would even question whether they had the work done and whether we had the right to charge for it ... we were always being accused before of selling them one thing and then when the bill came there were about four or five other things on the bill which they had never been told about.” (Deputy Managing Director)

“We knew we had some levels of complaints from clients which people probably didn't fully understand. The first manifestation was that people didn't pay their bills, so that's the first thing that smacks you between the eyes. People were arguing about their bills. We, in turn, found it very difficult to actually explain those bills to the client because our background information wasn't good enough to actually confirm or deny what the client was saying. That then goes into a downward spiral because your bad debts begin to build up, not actually bad debts because they are not classified like that, but possible provisions in that you don't know when people will ever pay because they may be right and we may be wrong.” (Technical Director)

“Money was coming in the door significantly because clearly the business was going, people did pay some of the invoices which went out

and everything was desperately buoyant and bottles of champagne on the streets of the City and all that sort of thing. Then things started to slow down and what we found was that from a commercial point of view people were not paying invoices because they were not right ... customers were not paying their invoices. Debt position was growing and I don't know specifically but rumours on the street were that (our external auditors) were going to qualify our annual reports.” (Implementation Team Member)

4.3.3 B. Interpretation and second order construct

Financial Data had a major problem in respect of unpaid invoices. Invoices were sent months after products were delivered to the customer's site. Consequently customers often forgot that the product was ever delivered. Engineers often added product components necessary for the product. However, as these were not specified on the original order and the client was not made aware of the components in advance of the invoice, clients often claimed that they were being charged for things they did not know about. These clients simply refused to pay their invoices, and Financial Data lacked information to confirm or deny assertions made by clients. Over time, Financial Data's bad debt provisions had to be increased, as they were unsure whether the client would pay their invoices. The external accountants were concerned about Financial Data's debt position, and the organisation faced the possibility of having its accounts qualified by the accountants.

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|---|
| Financial Data had a substantial amount of unpaid invoices, which required the organisation to raise its bad debts provision. (C_SOC # 4.3) |
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4.3.4 A. Conjoining first order constructs

“Prior to re-engineering everyone was cocooned in their own department, working for departmental goals, working for whatever the department happened to be rather than working for the service of the customer. All sorts of measures were going through in terms of lead time reduction, bad debt recovery, etc. which were indicative of the fact that we were not servicing the customer.” (IT Manager)

“There were control issues from the point of view of the company often not knowing precisely what its monthly revenues were in terms of, particularly, new orders and things like that, installations, purely because there was no overall management of the information ... it had grown out of departments getting out of control and no one person you could go to could tell you end to end how we were running the business. It was a mess.” (Deputy Managing Director)

“We had no control over our revenue. Lead times were poor, no control over the revenue. The records we had on site were wrong ... it was business out of control. Nobody doubted we were making money but we just didn’t know how much we were making ... we did not know what was installed. We did not have the control processes and the right administration when we installed it to be able to properly reflect that in the final invoice. Effectively it was time to deal with these issues which were missing during that boom phase.” (Implementation Team Member)

4.3.4 B. Interpretation and second order construct

People in each department endeavoured to achieve their functional goals, even when these may have led to customers receiving poor service. The board and senior managers had very little management information, for example, in terms of revenue and the products installed on-site. Nor were measurements in place against which to assess the efficacy of the previous order process. Operational information, such as clients’ records, was incorrect. The board and senior managers realised that they had little control over the order process and that this situation had to be reversed.

| |
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| Managers had little control over the previous order process but sought to gain control over it. (C_SOC # 4.4) |
|---|

4.3.5 A. Conjoining first order constructs

“We tried things like TQ initiatives to minor extents in the past but they never managed to break down the functional boundaries. We tried TQ initiative here trying to be total quality within the functional boundary.” (IT Manager)

“Let’s talk about total quality ... I think that is expensive in administration effort. I think it is expensive in management time and

effort and it is building a second hierarchy which looks over the top of the primary hierarchy which is involved in doing the business ... what you really need to do is to have an organisation that performs without that sort of 'policeman' sitting over the top of it ... the technical areas within the divisions buy into a total quality process. Our field service group, comms group, equipment preparation areas are all BS 5750 registered. None of the divisions are 5750 registered and I am very sceptical as to its value, personally." (Implementation Team Member)

"I've seen a number of initiatives within the organisation which had not worked. There have been quality management initiatives, and I think the style of those and commitment to those means that they won't succeed in the long term." (Implementation Team Leader)

"You do a job and by God you have to have a bit of quality bunged in on top as well, so maybe you go and stick we actually stuck posters up that say 'quality comes first'. They were a waste of time ... so the last thing you should ever do if you want to improve the quality of an organisation is actually form a quality group. A complete waste of time. We tried it in the old days and it was just a joke. Didn't do anything. Complete and utter waste of time and people got very cynical about it. In fact we had posters that said 'quality comes first' and then we made the quality group redundant and some wag wrote on the bottom 'well then 'quality goes first''. People get cynical about it, they see one half of the company saying 'a bit of quality, you don't do anything that's not quality' and then somebody comes along and says 'kill it now, come on get this revenue in, will you. Launch this product without understanding how you are going to administer it'. It's fatal." (Technical Director)

4.3.5 B. Interpretation and second order construct

Financial Data previously attempted to address the drivers for change by implementing a total quality (TQ) initiative. The organisation established a separate TQ function to police the introduction and documentation of existing activities. TQ was implemented within each function, consequently, functional differences were reinforced and some functions progressed quickly to achieve BS 5750 accreditation while others lagged behind. Management commitment to the initiative was questionable, as evidenced by people receiving conflicting messages. On the one hand, people were told to follow the procedures laid down in the TQ documentation; and on the other hand, managers acted in ways that flouted the procedures, e.g. by telling people to launch products without understanding the administrative support required. These conflicting messages

led to people becoming cynical about TQ. The TQ initiative was considered to have failed to address the drivers for change. People in the TQ department were made redundant and the department was closed down.

Financial Data attempted to address the drivers for change by introducing a total quality management initiative. (C_SOC # 4.5)

4.3.6 A. Conjoining first order constructs

“They all thought they were doing a super job. By their own calculation they probably were. You know, ‘how many bills have I issued this week? How many were requested? How many are backed up and stacked up? We’ve cleared the decks. We’ve all done a good job, we can go home’. The debt collectors would say ‘We’ve collected this amount of money this month, more than last month’. They’ve done a good job, they can all go home. The engineers would say ‘Well, they come in on a Monday morning, which clients are we going to install this month, or this week, or this day?’ Not you know, ‘Well these are the ones which are planned to be installed today’. It was, ‘Oh gosh it’s this Bank, oh gosh, ah he’s complained this month. We’d better install him then, for God’s sake, he’s a big client paying us a lot of money. We’d better sort him out. Ah but what about so and so? Oh well put him to the back of the queue, do him in three weeks’ time, when you have a bit of time’.” (Deputy Managing Director)

“A more efficient process in place, whatever that process is. In our case it happened to be ordering, billing and customer service. In other companies it may be different things. If you start looking at the efficiency of servicing whatever unit you want to service at the end of the day, I think that’s the reason for doing it, a by-product of that is going to be cut down functions, cut out functional boundaries, combine functions and to orientate the company towards delivery of something ... start thinking ‘think of yourself in your customer’s shoes’ and drag them across those functions and say ‘what do we need to do to better see things across and everything else falls into place like structural changes, cultural changes, staff changes, attitude changes’.” (IT Manager)

“Poor invoicing and, therefore, failure to pay bills was actually the last carriage of the train. Prior to that were confused installations, failure to understand what it was that had gone in, what the client wanted or poor attention to dates and responsiveness and lead times, in fact nobody knew what the lead time was.

We created what we call ‘service providers’ which were the groups that were not practical to break up, although it may have been desirable but not practical ... who were integral in the overall provision of service to the client.” (Technical Director)

4.3.6 B. Interpretation and second order construct

Each function operated independently of each other and set its own set of targets. Engineers in the technical function decided on an ad hoc basis the orders they fulfilled each day. The board and senior managers realised that to address drivers for change, i.e. poor customer services levels and unpaid invoices, internal changes needed to be co-ordinated across the sales, technical and finance functions. These functions were central to identifying customer requirements, agreeing delivery dates, planning product installations, monitoring and recording products installed, invoicing and debt collection. The board and senior managers also realised that changes to other functions referred to as service providers, such as purchasing and training, central training providers had to also be aligned.

The drivers for change required change initiatives in the technical, sales, and finance functions to be aligned. (C_SOC # 4.6)

D2_4.4 Changes that occurred

4.4.1 A and 4.4.1 B are located in the body of Chapter 4.

4.4.2 A. Conjoining first order constructs

“I perhaps used the word ‘order process’. You get a customer who orders something from us. What is the beginning of the process is the order. Sorry, the beginning of the process is not the order, the beginning of the process is a customer expressing an interest in a product. A sales lead. The end of the process is when we send him an invoice for what we have installed. That is the order cycle.” (Implementation Team Member)

“The entire order process changed, the way we did things, individual steps, changed entirely. There were never procedures written down anyway so they didn’t have to change, they didn’t exist. Everything changed about what we did. About the only thing you could say was still the same was the overall objective - to sell a client something and install it. Everything about how we then took that forward was redesigned. You define the overall process and you then decide the functional groups that logically could support that process, it’s very important you decide that after you have decided your overall process. You don’t start with a set of functions and say ‘ok what is it they can do to support the process?’ You start with the process and say ‘what functions do we need to support this process?’ That may mean you have those functions already, they may be too big, too small or you may not have them, you have to create them.” (Technical Director)

“We recognised that ... instead of having lots of different departments where orders and requirements would go from building to building, group to group we (would) give a single business administrator (business administration function) direct ownership of the group of clients, and that administrator would work with a sales executive (sales function) who had exactly the same group of clients, and an engineer (technical function) who had the same group of clients. In other words they became an account team for that group of clients.” (Deputy Managing Director)

“The process has stripped through vertical functional departments and there is now an end to end user service because the range of new order processes is seen very much as end to end delivery and that people have got a view, the account team views the order process from end to end and is responsible for servicing the client, end to end, across some of the necessary functional splits and the re-engineering process itself swept away a large number of those departments and pulled people together.” (IT Manager)

“Now if someone is a client, they will be served by the same group, they know who he (the client) is, they know who within the (client organisation) is, they know who within the (client organisation) is authorised to order services.” (Implementation Team Leader)

4.4.2 B. Interpretation and second order construct

Financial Data’s board recognised that too many departments and functions were involved in the previous order process. They designed the process first and then considered the functional structure to support the process. Consequently, the business administrator role was established. They realised

that the activities performed by the functions were important, although many activities had to be changed.

The directors created the order process with activities in the sales, technical, and the (newly created) business administration functions and gave priority to the process. (CTO_SOC # 4.8)

4.4.3 A. Conjoining first order constructs

“We recognised that ... we would completely change the sets of responsibilities. The business administrator took responsibility for what had previously been five or six administrators’ separate tasks - the taking of the order, the checking of it, the inputting of it into an order processing system, further detailed analysis of the order in relation to the services which the client currently has installed ... It meant the fact that we redesigned our order process to give wider ownership and responsibility to the people who were working directly with the client, so that they were able to do their job to the best of their ability with the tools that they required and to timescales and the quality of service which we had laid down ... So we put the responsibility where it should be, in the hands of the people who deal with the client.” (Deputy Managing Director)

“In the old days they wouldn’t have heard anything about it (a job completed late) because nobody would have complained, nobody’s job to complain about them not doing it. As long as the manager said ‘well you got through that work today, that’s fine’ then no hassle ... the aspects of moving somebody who’s had 10/15 years experience working in a functional group, and trying to, actually saying ‘you’re turning round, now you’re thinking laterally, it’s not just your responsibility to be responsible for this bit, but your responsible for servicing the customer end to end and to facilitate things and to talk to other departments in other areas and get things moving’.” (IT Manager)

“They (account teams) are responsible from the beginning of the cycle to the end of the order cycle. The account manager is responsible for other company’s long term relationship with that customer. Anything that might affect that relationship from invoicing to selling a new product, to the service he’s getting from the maintenance department.” (Implementation Team Member)

4.4.3 B. Interpretation and second order construct

Previously people were responsible for achieving their department's goals and targets only. They felt little responsibility to clients. The board and senior managers realised that this had to change, and that people, at all levels, had to take responsibility for the order process and the activities they performed within the process. The board realised that people could no longer assume responsibility for their functional activities, while neglecting related activities in the order process. People in account teams were made responsible for the order process and their functional activities.

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|---|
| The board recognised that people would need to take responsibility for functional activities and the order process. (CTO_SOC # 4.9) |
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4.4.4 A. Conjoining first order constructs

“We did consider it (changes to reward systems) but decided that we wouldn't do that. We considered a number of options. We felt that it would be quite complicated. We didn't necessarily see that there was going to be any great gain compared with all the other things we were doing.” (Deputy Managing Director)

“Very limited (changes to rewards). That is one of the major issues we still have to face. The remuneration system is still set in stone I think. Slowly moving out of it with some initiatives to buy out allowances recently, place people on to 40 hour weeks when they were on 37 and a half hour weeks, but I think there is still some way to go.” (Implementation Team Member)

“We are starting to change rewards but it is not something we have totally worked out yet. Certainly in the account teams we have the reward/remuneration mechanisms in place to help them. In terms of some of the older, central departments or some of the functions who we now call service providers to the main order process, we still have not grasped that one totally. Still working on it.” (IT Manager)

4.4.4 B. Interpretation and second order construct

The board and senior managers considered changing people's remuneration. However, they recognised and agreed that they were not going to change people's remuneration packages significantly.

The board realised that people's pay would be changed to a very limited extent.
(CTO_SOC # 4.10)

4.4.5 A. Conjoining first order constructs

“The one big change we did make was to give sales executives a commission based on the installation of new services to the client satisfaction, as opposed to paying them on contract signed, as we used to do. Salesmen used to get paid this commission at the point when we had just got the order signed. Effectively you were psychologically saying to the salesman ‘you’re job’s done, someone else’s problem now’. Whereas in the account team environment and from the account management view of things, it’s not on, they have to see it through to installation and if there are any problems, they have to deal with them, and unless it’s signed off and installed properly they don’t get the commission. That was a change.” (Deputy Managing Director)

“We are looking for individuals to be more adaptable, who can cope, become multi-disciplined, who may have expertise in one particular area but who can rapidly learn skills in other areas.” (IT Manager)

“We are a lot more demanding in terms of performance, productivity and that may not necessarily mean we are asking people to be more active. What we are saying is we are providing people with simpler ways to do things, more efficient ways to do things through the order process.” (Implementation Team Member)

4.4.5 B. Interpretation and second order construct

People were appraised based upon criteria determined on a functional basis. However, this has changed, for example, people are expected to learn and gain expertise in other functional areas. They are also assessed on the basis of performance and productivity criteria, which are linked to the order process. A

major change was made to the basis upon which sales people were assessed and paid commission. Whereas in the past sales people were paid when an order was confirmed by the customer, they were to be paid their commission when the product or service was installed and the customer had signed to confirm that they were satisfied with the installation.

The board aligned people's appraisal criteria to the order process and the sales, technical and business administration functions. (CTO_SOC # 4.11)

4.4.6 A. Conjoining first order constructs

“(The previous organisation) was dictatorial. There was one man who made all the decisions. ... Previously everything had to go through a number of layers to the top and then back down again - that's a very long chain of communication, views got distorted, there was the policy making decisions which weren't open. Consequently, nobody could understand why decisions were being made, which is as important as the decision itself.” (Implementation Team Leader)

“The old Financial Data management style was very directive. I'd put it akin to when the army go into battle, you don't sit about chatting about the best way to do it. There's a man at the top who says what happens, and that's what happens. That's how the old Financial Data used to work because it was like going into battle. You had all these orders, you have to satisfy them, you never have enough people, so you just go and do it.” (Implementation Team Member)

“It's important to look at not only the process but inherently the cultural shifts and the behavioural characteristics if you want to make it work. We put pride and responsibility into the order process.” (Technical Director)

“Putting people like planning engineers into the account teams rather than relying on separate functions.” (IT Manager)

“We recognised that ... within each of these business units there would be collocated, preferably even on the same floor of a big building, would be all of the people necessary to conduct business with the client, the engineers, sales executives, account managers and the business administrators ... the whole business of one department, like sales, being all important, totally ego driven, who cares about the company ultimately, all of that had to go, be replaced by an ethos of 'we care

deeply about customers, we care deeply about the company and we are going to work together'. There is no one hero. That's one of the reasons we didn't have leaders for the account teams and still don't, because if you do that, it breaks up this whole idea that they are all working together as teams with their own individual but very important contribution to the team." (Deputy Managing Director)

4.4.6 B. Interpretation and second order construct

The previous management team behaved in a dictatorial way. Decisions taken in each function were communicated from a senior manager or director to people at lower echelons in that function. People rarely understood the reasons that underpinned a decision. Senior managers rarely discussed issues with people at lower levels; instead they were told what to do. People in different functions saw no need to work together. However, the new board recognised that people's behaviours needed to become more customer focused and less functionally focused. The board wanted to move away from people in each function believing they were more important than another function and then behaving in a manner that reinforced functional boundaries. The board wanted people from different functions to work together in leaderless teams, recognising the contribution each function made to the order process.

Directors realised that people in different functions needed to work together and that their behaviours needed to be more collaborative and customer focused.
(CTO_SOC # 4.12)

4.4.7 A. Conjoining first order constructs

"The old MIS systems were very modular. We had BOS which was effectively a billing and ordering system. We had FDITS (Financial Data Installation Tracking System), we had SIRI which billed the customers and we had SOL which dealt with all the lines, BT and all of these various system interfaces which ran overnight to shift data from application to application. We now have one box, NIS (new information system), which does everything for everybody." (Implementation Team Member)

“So instead of the (previous) order process threading the people together, the computer system threaded all these people together. From a client’s perspective there was certainly no thread and, unfortunately, when you looked at the computer system, there was no thread there either because all of them were working in different ways often with different data which then required a further set of people who were permanently employed to reconcile databases, to find errors and correct them ... Well, we decided that replacing the system wasn’t going to do it. What was required was (the order process).” (Deputy Managing Director)

“The new order process system (is the new name for) the way in which we process orders, services and product (and) literally was a complete rewrite.” (Implementation Team Leader)

4.4.7 B. Interpretation and second order construct

The previous systems supported individual functions rather than the order process. The sales function used a system for billing and ordering, the technical function had an installation tracking system, the finance function had an invoicing system and the purchasing function had a system to deal with suppliers. Each function managed its own system in terms of enhancements and amendments, and controlled the data that resided in their system. Data was transferred overnight from one system to another. However, there were often large numbers of errors, which a group of people were employed to correct. The organisation recognised the need to develop a single system, NIS, which would support the redesigned order process, rather than individual functions.

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| Directors recognised that the existing systems were unable to support the previous and the redesigned order process. (CTO_SOC # 4.13) |
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4.4.8 A. Conjoining first order constructs

“Whereas before we had a situation which involved many different skill administrators, they all had very compartmentalised views of the business and of the order process. There was no ownership from the point of view of the client and the client could find himself dealing with different people for the same order, even, but certainly for different orders they would often find they were dealing with different people.” (Deputy Managing Director)

“You looked at the previous order process, it didn’t even work. We had a meeting with some key what we now call service providers, although then they weren’t, trying to work out how the old process used to work. We got to a point where someone said ‘well I tell him the plan’, ‘no you don’t, you get it from them’, ‘no no I don’t get it, I thought you got it (the plan)’, ‘no no we don’t get it’.

So I sat there and said ‘are you telling me that nobody knows this’ and they said ‘no maybe not’. I said ‘but I don’t understand how you do an installation’ and they said ‘no we don’t now’. Nobody could define how it actually worked. This may sound unbelievable but it’s true.”
(Technical Director)

“Now instead of a customer ringing and saying ‘where is my order?’ and being told ‘I don’t know, it is somebody else’s job, try such and such a department’ ... the only people with real power in the old regime were probably managers of those groups, because if something went wrong, you wanted a favour doing, you talked to the managers of those groups to actually get people to do things quickly. Perhaps they held some sort of power. Now they don’t because it is not them who are responsible for ensuring things get done, it is people on the ground floor who are servicing the order progression, who because of things coming in and having to react within 2 hours, know they have to react within 2 hours and they are doing it.” (IT Manager)

4.4.8 B. Interpretation and second order construct

People assumed that it was acceptable for them to work in their department without understanding activities undertaken by other departments. People at all levels in the organisation thought that they understood the way in which, for example, products were installed. However, many people did not know how products were installed nor were they aware of the role fulfilled by other departments to install products. People considered it to be acceptable for clients to deal with different individuals within the same department, and be transferred from one person to another each time they had a query. Managers treated the resolution of a client problem on behalf of another function as a favour, rather than taking ownership and responsibility for the problem. This changed as people, with greater visibility through the order process, became aware of their own activities and the timescales in which they had to carry out those activities.

The board realised assumptions people made that reinforced poor service levels needed to be removed. (CTO_SOC # 4.14)

4.4.9 A. Conjoining first order constructs

“We’d had barons of technical, sale, finance and they all thought they were the heroes, they were the ones who really mattered to the client. They were the ones who really sorted out the problem. They all had their own quality programme within their own departments ... all of these different functions had grown up and developed their own fiefdoms.” (Deputy Managing Director)

“You could not have done this with the old management group, not because they are incompetent but because you cannot get somebody to change their approach 100% and have credibility very easily.” (Technical Director)

“Functional heads, over the last 10 years they rose to their positions on the back of creating their own little empires. I don’t believe they saw the new reformed business process was anything more radical than just a different way of doing things. I don’t believe they viewed it as something being about cultural/people change, they saw it purely just as titivating the mechanism of working and that they didn’t realise that the whole emphasis of the company would shift from the vertical to the horizontal. They just didn’t see it. It was alien to think in that way.” (IT Manager)

4.4.9 B. Interpretation and second order construct

Previous functional directors and senior managers of sales, technical and finance functions are referred to as barons, who managed their function like a fiefdom. Functional directors and senior managers rose through the organisation on the basis of creating their own empire. Each functional director and the people in that function believed they were the ones that are most important in the client’s eyes. Each ran their function independently, for example, each function had its own quality initiative. This way of managing was associated closely with the individuals that ran Financial Data. They did not believe that there needed to be closer working relationships between people in different functions. For them functional collaboration was an alien way of working.

Previous functional directors and senior managers did not accept that collaboration across functions was necessary. (CTO_SOC # 4.15)

4.4.10 A. Conjoining first order constructs

“So the previous process we were employing was flawed and the good thing that happened was, that was recognised fairly early, and the decision was taken that you don’t just tinker with bits of the process, because that would never have fixed anything, this is a re-do the foundations job ... so it’s escalating until you find the real cause and not just papering over the symptoms. The real cause was that the entire business process was incomprehensible, ill-defined, not written down, never trained people, particularly new starters and didn’t work anyway.” (Technical Director)

“(The managing director and deputy managing director) played a very key role in developing the organisation. They were the people who had the goal, knew how it (the order process) should work and that was driven forwards single mindedly.” (Implementation Team Member)

“We had never been able to measure properly our business flow, our order flow, our timescales and the quality of the service we provided. BPR effectively allowed us to set proper timescales, to generate the right management reports and to manage, frankly, the overall position ... not only did the customer survey tell us what was wrong from the client’s point of view, we had things wrong internally because we knew our debt level was too high.” (Deputy Managing Director)

4.4.10 B. Interpretation and second order construct

The new board and senior managers realised the previous business process was incomprehensible, ill defined and did not operate effectively. They recognised and accepted that service levels had to be improved. They realised that the previous order process had to change significantly, and that the new process had to operate within shorter timescales and with increased accuracy, especially in terms of invoices, so that the high debt position could be reduced.

The new board accepted that late deliveries and inaccurate invoices would be eradicated. (CTO_SOC # 4.16)

4.4.11 A. Conjoining first order constructs

“(The deputy managing director) is overall process owner for sales order processing. Within that there’s the technical element, and I’m the overall manager for the technical process. Increasingly we don’t talk of separate processes because they are not. We did originally because it was convenient to do so but we just now call it the order process. ... I own the technical function and then getting the technical structures in place to actually make it work. Working with the overall implementation coordinators for the whole new business process. Because a technical function isn’t something you can look at in total isolation, it’s part of the order process.” (Technical Director)

“So we brought account ownership to individuals within (each function within) the structure. A typical team within City South of engineering, sales and administration (functions) might look after 100-150 accounts who generate different levels of revenue depending upon the nature of the accounts they happen to be assigned.” (Implementation Team Member)

“So the administrator has end to end responsibility. The sales executive became more of a account manager, an account executive, managing the day-to-day ordering but also worrying about the installed base, looking at what’s already installed there, how much revenue they have already got, how we could protect and defend that revenue. How we could work with the client to maybe take more market share from other vendors and overall to make the client feel totally satisfied that we were doing everything we could to understand his business and how we could best serve him. In a similar way the engineers should ensure that they understand the site and are able to talk at whatever level is required about their technical requirements.” (Deputy Managing Director)

4.4.11 B. Interpretation and second order construct

People at all levels in Financial Data were affected by the changes. The deputy managing director was affected as he became the owner of the redesigned order process. The technical director was affected as he took responsibility for the technical function and that part of the order process. The board created four divisions and appointed divisional directors. Senior managers in the previous functions became managers of their divisional functions and the order process. Sales people, engineers, and administrators

were affected too as they were brought into account teams, given overall responsibility for their functional activity and the order process.

Directors, managers and account team members were affected as they took ownership for their function and the order process. (CTO_SOC # 4.17)

4.4.12 A. Conjoining first order constructs

“The sitting of engineers next to sales people was more significant in terms of resistance. People felt engineers would lose their skills if they didn’t sit next to their buddies and be able to talk about software/electronics day in and day out and swap notes, etc. ... It was putting engineers sitting next to sales people, administrators. Getting people’s minds and skills to broaden. No longer do we have an engineer who sits in a box and only does engineering things.

There was considerable resistance from the people, all sorts of barriers were put up. Probably more vehemently from the technical and the administrators. On a scale the sales people really didn’t mind, the administrators were in the middle the technical people actually hated the idea. The sales people, due the nature of their discipline and the nature of their work, are considerably more independent in their operation, and therefore the argument the administrators and the engineers always put forward is that ‘I need to sit next to George, because when he has a problem, he tells me about it and I learn from it.’” (Implementation Team Member)

“The important thing is how are those individuals (in the account teams, and functional managers) work together to achieve the desired result with our clients. They must not have group loyalties, they have to have team and customer loyalties and loyalties to the (order) process. Not as a group of engineers or salesmen.” (Deputy Managing Director)

4.4.12 B. Interpretation and second order construct

The board wanted people from different functions to be collocated. This meant that individual engineers, sales people and administrators sat next to one another; instead of being located together as a functional group and having each functional group in a different building and floor. The board’s intention was to develop people’s loyalty to their account team, their clients, and the order process. This change was a vital part of the overall changes. Engineers and

administrators strongly opposed this change as they did not want to be separated from others in their function. They put up a number of reasons to prevent the changes. However, board members were willing to force through this change, and eventually engineers and administrators were willing to allow this change to affect them.

People from technical, sales and finance functions were willing to be collocated for the order process to operate effectively even though they disagreed with the changes. (CTO_SOC # 4.18)

D3_4.5 Issues managed

4.5.1 A and 4.5.1 B are located in the body of Chapter 4.

4.5.2 A. Conjoining first order constructs

“It was done by the consultants really. They obviously had to get very deeply embedded with the business process. They understood it as well if not better than we did at the end of the day because they saw more of it in more detail than perhaps individuals did. So they basically wrote it up as a description of what we were doing in practice.” (Technical Director)

“We had a large external organisation come and develop the business process specification.” (Implementation Team Member)

“The initiative itself was very much the brainchild of (the managing director) and (deputy managing director).

It was an in-house project, but primarily the process consultancy led the development work and, indeed, it was the process consultants who did most of the design on the system.” (IT Manager)

4.5.2 B. Interpretation and second order construct

Financial Data’s deputy managing director and external consultants designed the order process and the supporting new system, NIS. The consultants played a significant role during the design of the process and

systems although the managing director and deputy managing director controlled the project.

Financial Data's deputy managing director and external consultants designed the order process and supporting systems. (IM_SOC # 4.20)

4.5.3 A. Conjoining first order constructs

“Senior management commitment is essential, it's come from the top. Support from the top, the initiatives increasingly come from the bottom, you have to kick it off from the top, you cannot do it otherwise. You will not make the necessary changes in conditions which enable the behaviour to then generate the right sort of new ideas to actually make things even better in the long term ... We had a vision statement, vision of where we wanted to be and then we laid down policies underneath that and got down to the more detail.” (Deputy Managing Director)

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| The mission statement | To serve our clients promptly and accurately and to their full reasonable satisfaction |
| Policies | Improve customer relationships More individual responsibility Adhere to business rules and procedural disciplines |
| Objectives | Shorten the order to billing process Bill accurately Reduce debt Optimise inventory management Improve technical site configuration records Maintain accurate view of installed kit and services by subscriber Achieve fast and accurate revenue reporting Optimise project management |

Source: presentation material and business case

“(A divisional director) would sit down and meet with the account teams and explain to them what he felt their objectives were and what he wanted from them. He'd have 10 meetings. We would discuss the objectives within (the division) and he would talk to us about the objectives and we would all more or less agree with him. It was a message all the way down, presenting, discussion.” (Implementation Team Member)

4.5.3 B. Interpretation and second order construct

The board recognised that the organisation lacked a mission of the future. The board agreed a mission statement based on the principles laid down almost 70 years earlier by Financial Data's founder. The board also agreed three policies and eight objectives in supported of the mission. The board committed themselves to behaving in accordance with the mission and policies. The board explained these to senior managers, who in turn explained these to people in account teams.

Board members and senior managers agreed the organisation's mission and objectives and explained these to people. (IM_SOC # 4.21)

4.5.4 A. Conjoining first order constructs

“Management was acting as a single team for bringing about the change, strongly led by both the Managing Director and myself, we were not prepared to back down and back away from any of the problems which were identified ... we acted as a single management team, it was very important that we all were on board for the changes. I had to work hard with some of the managers to keep them on side in the divisions. Many people kept losing their nerve - you have got to just keep on believing, have faith, faith in the programme is all important.” (Deputy Managing Director)

“When I was given the job I was told that's what we were going to do. My only question was 'I'll do this job so long as you don't want a whitewash. If you want us to do this job and then are going to come back and say 'ah yes we are more interested in generating new revenue now' then I'm not interested. If we have a commitment to do it, I'll take it on'.” (Technical Director)

4.5.4 B. Interpretation and second order construct

The managing director and deputy managing director were united in a determination to achieve the changes to implement the order process. They brought other members of the management team to unite around them. Other

directors were willing to take responsibility for implementing the changes only if the managing director and deputy managing director were committed and allowed individuals to take the actions necessary to achieve the changes.

The board members and senior managers were willing to unite to implement the necessary changes. (IM_SOC # 4.22)

4.5.5 A. Conjoining first order constructs

“Frankly we were worried that our ability to sell against an ever-improving competition, we’d be thoroughly undermined. That helped us as well as we were able to show to our staff, ‘look this is the level of debt. Service is a product in its own right’. Just as we put a lot of effort into improving our products, we’ve got to continually put a lot of effort into improving our service. If we don’t, then clients will find the companies which do. Eventually we will not survive. Simple as that. That message was very strongly felt ... a belief in the need for the programme. The management team’s got to understand the problems that the company’s facing. If they don’t it’s so much more difficult to move a programme like this along.” (Deputy Managing Director)

“We knew we had a problem, we were going to address it. There was not political reason for keeping it quiet either externally or internally, which was, I think, very positive.” (Implementation Team Leader)

“I don’t think we had any (who did not accept the problems) to be honest, not at a managerial level. They knew the issues. Most people were delighted that something was being done. Particularly at staff level when they found out the complaints. I mean most staff said ‘this is appalling, we have to do something about this’. They didn’t need persuading there was a job to be done.” (Technical Director)

4.5.5 B. Interpretation and second order construct

The board and senior managers realised that the organisation’s debt position was too high and service levels to clients were inadequate. The board and senior managers also recognised that clients would move their business to competitors, were service levels to remain poor. Managers and staff also

accepted that the organisation had operational problems. People at all levels discussed the problems faced by the organisation openly.

People at all levels, board members, senior managers and staff accepted the organisation faced major operational problems and discussed these openly.
(IM_SOC # 4.23)

4.5.6 A. Conjoining first order constructs

“We didn’t monkey about, we decided what we had to do and enforced it. Then the people began to see the need for it.” (Deputy Managing Director)

“The change to the organisation was very top down ... (the deputy managing director) is good at telling people. I remember a number of occasions where you would be having a sort of views/discussion meeting and I have to remember an incident where I was standing downstairs having a glass of wine after a presentation at 5 p.m. with four engineers and they were hitting on me because they wanted to sit together and not with sales people. (The deputy managing director) was in this presentation and he walked into this conversation, listened for about 20 seconds and he said ‘all the other divisions are doing this, we are putting engineers together, we are going to do this, you are going to sit down here, here are the benefits b-boom b-boom b-boom. Nice to meet you Mike, how are you doing?’ ‘Ok’ ‘Just going to have a word with (the divisional director)’. It was like that all the time. Fair amount of telling. The (deputy managing director’s) got a way of doing it, doesn’t offend anybody. And that’s exactly what the engineers needed, ‘If he says it’s right’. I think there is a fair amount of charisma/credibility there which led it through To a certain extent it was sheer pigheadedness. You listen to all the views and then tell people what’s going to happen.” (Implementation Team Member)

4.5.6 B. Interpretation and second order construct

Board members and senior managers attempted to convince people of the need for the changes, and that they should allow the changes to affect them. However, board members and senior managers recognised that not everyone would want to support the changes. In such instances, board members and

senior managers enforced the changes, giving people little choice but to allow the changes to be implemented.

The board and senior managers accepted that they would have to enforce some changes. (IM_SOC # 4.24)

4.5.7 A. Conjoining first order constructs

“Purely the leadership’s skills. (The managing director) has a very strong view on what’s important to him and he communicates it well and is extremely focussed saying: we have got to do this, explaining why we have to do it, explaining what we’d get out of it by doing it not just in terms of better customer satisfaction but in terms of how we will feel better having done it.

I think it was important even though (the deputy managing director) was in charge of the (order process) programme, (the managing director) was seen to be still owning it, still wanting it to happen and was always in the picture, interested in it and wanted it to succeed. If he hadn’t wanted it to succeed and taken such a personal interest in it, I don’t think we would have got anywhere.” (IT Manager)

“It was essential to have a strong leader. Our MD fulfilled that role. He was seen as a strong minded implementor, analytically sound and one who had a good track record of leadership ... we had to focus clearly, with a micro focus down to the lowest level of detail which is required. Senior managers, top people were ready to attack that level of detail, understand it.” (Deputy Managing Director)

“You need to have somebody who understands at the top management level what the complications are, complexities, and understands it and is single minded. If you want to make money you have got to spend money as well. So that’s vital. You can’t try to con people that this is top priority, that you are going to do it and then go back 10 minutes later and say ‘actually can you bung in this installation because it’s important. Don’t bother about the paperwork, just bung it in anyway’. That destroys people’s confidence. That is vital.” (Technical Director)

“To be fair to the senior management of (Global Data), they took a hands-off approach, they said ‘your problem, you’ve got a management team, go away and fix it and we wont bug you for two years. If you don’t do it, we’ll fire you all’. Fair enough. You can’t be given a job and not expect to do it.” (Technical Director)

“There was a project meeting with (the managing director) about once a month to make sure that progress was being made because in the sort term we went backwards because (the new system) had been built using a certain number of assumptions which were challenged.”
(Implementation Team Leader)

4.5.7 B. Interpretation and second order construct

The managing director developed a view of the future state of the organisation, and communicated it to people at all levels. He was perceived in the organisation to be strong minded and a good leader. His behaviour was consistent with his rhetoric. He and other directors ensured they themselves did not ask people to act in ways that contravened the organisation’s mission and policies. The managing director participated in project meetings and reviewed progress of the changes. He was willing to be involved in detailed aspects of the order process when necessary. Even though he handed responsibility for the overall change programme to the deputy managing director, people in the organisation considered the managing director to be the owner of changes. In part, board members themselves had little choice but to ensure the changes were implemented, as the parent company gave board members two years in which to turn the organisation around.

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| The managing director and deputy managing took personal charge for implementing the order process and the supporting systems. (IM_SOC # 4.25) |
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4.5.8 A. Conjoining first order constructs

“So we were presented with a number of problems. We recognised that ... one of the ways to get over this was to firstly break the business down into smaller manageable units of about £50 million revenue each, so it was still quite sizeable - about £50 million each - and to put business managers in running those business units ... We just dismantled it (the old structure). We said ‘right we will have divisions and within those divisions we will appoint divisional technical managers, divisional business managers, administration, and we will take them from the existing core people’ ... we changed the structure and said: what we need are smaller business divisions, with account teams and collocated

functions and a belief that you are going to take responsibility from end to end for those clients.

We started work on the set up of the divisions, and they were initially set up within 3 months.” (Deputy Managing Director)

“We actually started the reorganisation in September and we physically created this division, which was the first one, in March the following year.” (Implementation Team Leader)

4.5.8 B. Interpretation and second order construct

The board recognised that Financial Data as one organisational unit was too unwieldy. They divided the organisation into four divisions, each covering a geographic region. Each division was about evenly sized in terms of revenue. A divisional director was appointed to take responsibility for each division. Each had the same organisational structure and operated the same order process and systems.

The board accepted that the business would be divided into four divisions each using the same order process and supporting systems. (IM_SOC # 4.26)

4.5.9 A. Conjoining first order constructs

“They were huge legions - the technical department with a huge escalator of hierarchy, people would slowly move up the steps of a ladder in terms of their career. It was all to do with time serving combined with ‘they’re good because they’ve made a certain contribution to the department’ and they’d gradually move up the ladder of hierarchy. There were far too many levels, 6 or 7, whereas now we have 2, maybe 3 ... We got rid of a whole series of levels of management and in a division there was 1 technical manager and there were a load of engineers in account teams and there were a few specialists that he has immediately under him to help in terms of coaching, directing, they have specialist knowledge. That’s a very different structure.” (Deputy Managing Director)

“Effectively the pyramid was more than halved in structural terms ... Six isn’t an exaggeration, it was 6 to the MD ... we have lost half the management structure. We have probably taken out two levels between the man on the street and technical director.” (Implementation Team Member)

4.5.9 B. Interpretation and second order construct

Financial Data delayed the number of levels in the hierarchy from between 6 - 8 to 4. The four levels are the board (including divisional directors), divisional managers, account team members and support staff. The divisional director and managers form the management team for each division.

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| The board reduced the number of levels in the hierarchy. (IM_SOC # 4.27) |
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4.5.10 A. Conjoining first order constructs

“There were a few very strongly led sessions down in places like the (central London) Theatre, where (the managing director) gathered the whole of Financial Data together, I think on at least two occasions saying: this is what’s wrong, this is what we are doing about it, this is where I want to take the company, this is why and then a series of minor/smaller/supporting presentations, a lot of people saying what we were doing about it. Those went down really well because it was the leader doing it and he was very certain about what he wanted to do. It went down well because he was seen to invest a considerable amount of time, not just of his own, but the whole of Financial Data, bring them together for a day once every six months or whatever, is actually taking a lot of time out of the company and actually saying: it’s important that I communicate to you. That was sending a good message.” (IT Manager)

“It is vital actually in order to do radical change people have to understand why, have to understand what is being achieved. The success of that is largely down to the visibility of the change and how easy it is to understand. Some change is very difficult, it doesn’t mean much to some people. We were fortunate that this was a very clear thing to understand and everybody in the company attended presentations about why we were doing it and what was going to happen and what we intended to do ... We also had a fairly comprehensive programme of presentations to everybody, run at a pretty high level. I was personally giving them, so was (the deputy managing director), assessing the impact, say why we were doing it, saying to people how this change would take place, what the impacts were on individuals.” (Technical Director)

“There was a lot of talking with groups by senior managers on a one to one basis in meetings talking about why we were doing this and what

benefit we were going to get from it, and what individuals could do on a personal basis. Most people when they are actually given something to do that they see is a good idea will get on with it, the difficulty is when it's 'what's it got to do with me?'. Everything was personalised wherever possible. 'This is what you can do to help' and 'this is why it is the right thing to do, because it may look wrong to you from your perspective'.

So there was the winning of hearts and minds by talking on a personal basis, there were presentations to management and staff. There was the analysis and the analysis was done in some cases in open forum. It was not done as 'we've analysed this and this is the conclusion'. It was 'this is the sort of data we've got, what do you think it means to us? What do you think we should do?'" (Implementation Team Leader)

"I started a newsletter telling people what was going on. Sometimes that gives you a problem, mind you, because you are upbeat in each one and then something goes wrong, how do you cope with it on the next issue. All very well having these announcements, but when something goes wrong you have to be able to handle that too. You have to think that through carefully, how will you handle the things that go wrong ... It was difficult. One month I'd say 'this/that is going to be done, we are on target on this/that/something else' and then the next time we issued we'd say 'we've had a major setback. This/that hasn't worked. We are doing further work to investigate this/that/something else'. I think it was a question of quickly showing people that you are ready to admit you had a problem. That you were not covering it up or ignoring it. That it was much too important to ignore. It was important to learn by it and just to say 'look we have a problem and we are doing something about it'. And to be able to respond rapidly to an issue. Being truthful and factual as the programme went along, it was very important, and, of course, there was a lot of training.

We laid on a lot of training courses and as the training courses evolved that gave us an opportunity to constantly reinforce the right messages. I think I attended about two of them a week, every week for four or five months. An exhausting process, constantly turning up, addressing the staff, asking them questions, spending an hour with them and then going off." (Deputy Managing Director)

4.5.10 B. Interpretation and second order construct

The board and senior managers communicated the change programme through a variety of methods. The managing director held at least two presentations in a central London theatre, which could accommodate all staff members and which they were required to attend. At the first of these meetings, the managing director explained what was wrong with the organisation based

upon the customer survey, the changes the board intended to implement and his vision for the future. Directors believed it was important for people to understand why the changes were necessary, and the impact of these on people. The directors carried out a series of presentations to people in smaller groups and on a one-to-one basis. The directors also presented to people at the start of training programmes, which formed part of the implementation of the changes. The directors sought to overcome apathy, which manifested itself as ‘what do the changes have to do with me?’ The deputy managing director started a newsletter to inform people of the progress being made, difficulties faced and problems encountered, and the actions planned to overcome these.

Board and senior managers were willing to explain to staff the proposed changes and its progress, using a variety of methods including a newsletter, town hall meetings, and small group discussions. (IM_SOC # 4.28)

4.5.11 A. Conjoining first order constructs

“The marketing of the programme. That’s part of the process of preparing staff for what’s going to happen and ensuring that you haven’t gone through the programme at a managerial level and missed the fact that your staff expected something else which you haven’t got. I guess that was the main additional resource we brought in, and I think quite a carefully planned out programme as it turned out. It would have been a mistake not to do that ... actually talking to people and saying ‘what are your concerns, what do you expect out of this, what to you will mean a successful implementation of this change’ and then ensuring that was factored into the roll out process.” (Technical Director)

“We had an internal marketing campaign, lead by a consultant, to ask opinion leaders what they felt about the thing. Then we would better understand what their problem was and we would attempt to neutralise that, neutralise their argument, their abuse, by then coming out with the right things in our presentations and in our news letters which would attempt to meet their concerns. I think that was quite successful. We constantly used anonymous interviews to help us understand where people would say ‘well I don’t think it’s going to work’, ‘why not?’, ‘well we’ve not got the training, we don’t have this/that, we’re not structured right. I think this is a load of rubbish’. ‘Well why, tell me more’. So we’d get all that information and then we’d get people to

analyse that, form an opinion so that we could then tackle it. As we moved forward we also sampled people's opinions to see how many people thought the process was better, that we were providing a better service, etc. and we measured it and then compared it year on year to see how their opinions were improving or not." (Deputy Managing Director)

"I would say that we addressed the fear, as I say, by communication, by showing them that we understood what we are doing and also by, hopefully, saying to people 'look you can contribute, you can make a difference'. And having end to end responsibility is actually at the end of the day much more satisfying than trying to work through a lot of other people trying to get something done and then failing ... It may have done, it's difficult to say. I think that end to end responsibility as such can strike fear in people because some people were saying 'well I used to work within a group and we were dependent on each other'. So I used to say 'yes but if you look at many countries which we operate in, small cities, small offices, we often only have got one of each discipline. They work very effectively and satisfy their customers. Are you telling me that you could not do the same?' Nobody was prepared to say 'yes', nearly everyone of them said 'well I suppose I could rise to the challenge'. So it's a question of really meeting their fears and addressing them. You won't address all of them. You never will." (Deputy Managing Director)

4.5.11 B. Interpretation and second order construct

The board were aware that influential 'opinion formers' in different parts of the organisation could adversely affect the changes if they disagreed with them. The board and an external consultant developed an internal marketing campaign. The external consultant carried out anonymous interviews to enable board members and senior managers prepare counter arguments and address relevant concerns. For example, people were concerned about issues such as taking end to end responsibility for clients and working in cross functional groups rather than functional disciplines. The board and senior managers also recognised that they could not address all the fears people had, but that they had to deal with as many as possible.

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| Board members and senior managers recognised people's opinions and fears to be important and developed an internal marketing plan to address people's opinions and fears. (IM_SOC # 4.29) |
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4.5.12 A. Conjoining first order constructs

“It took us another 6 months to get the process designed and piloted, we piloted it once and it didn’t give us all of the gains that we were looking for. We piloted it again and we started again, efficiencies which were then 3 times faster, more accurate, satisfactory to the clients, etc. So then we launched it ... all you can do is try and prove to them (staff) that we are going down the right path. We did it by piloting it in one team, small group and then spreading it, and you get towards the end and everyone is saying ‘come on, let’s just get on with it. Let’s make it happen’. You say, ‘no we have to work to the project timescale. Oh blow the project timescale, let’s just do a deal, it’s clearly working’. The pressure to move and change was coming from below not from above.” (Deputy Managing Director)

“The other thing is we did pilot it. Albeit that the pilot was a learning as it went and we did fall down some rather nasty holes, we had support staff working with us so we had a manager, a supervisor, a BA, a planning engineer, two salesmen, some O&M staff who were writing documentation for us of the main issues, someone who was designing the new contract type, someone who would explain what sort of reporting we could get out. We had a whole series of support people.

That was being reviewed by (the managing director) on a weekly basis at the very minimum and by (the deputy managing director) about 2-3 times per week ‘where we were’, ‘what issues we’d hit’.

We cut off part of the business and actually ran it through as if we were live business. We were live, we were supporting those customers. Extremely aware that anything we did that was bad news hit the customer. We did involve those customers, we actually told them what we were doing. Their reaction was one off ‘I’m not sure I like being the guinea pig but I do agree you do need to do something and you’ve explained what you are doing and this seems actually quite sensible’. There was an understanding from the customer. We didn’t just do it to him. ... I think we had about six large customers of whom only really two were active at that time. About 50 medium sized ones, again we’d only probably process orders on about one third.” (Implementation Team Leader)

“One thing jumped into my mind, everything was piloted. The order process, the paper technical process, redesigned. We took two engineers, 20 accounts, a business administrator and a sales person which was even before the divisions were set up and went to talk to 20 customers and said ‘we’d like you to order your services in this way, please’. They ran a little business for a couple of months using the new processes which were looked at, changed, etc. and that was expanded to the whole.” (Implementation Team Member)

4.5.12 B. Interpretation and second order construct

The organisation carried out extensive pilots of the process. The initial pilots did not provide the board's desired levels of improvements. The order process was changed and piloted again. The pilots were undertaken by cross functional teams, with individuals representing the functional activities in the redesigned order process. The pilot teams ran the pilot as though it were a live business. In one division the pilot team worked with 20 clients and in another division they worked with 50 clients. The clients were asked to agree to participate in the pilots. The pilot began with one team in one division. Once the team proved the process to be robust, it was implemented across the account teams in that division. Meanwhile a second division began its pilot, and once that proved to be working, the order process was implemented in that division. The implementation of the order process was achieved in the third and fourth divisions in the same way.

Organisation piloted the order process and the systems with actual orders from clients and with their consent, and used the pilot as the start of implementing the new order process across each division. (IM_SOC # 4.30)

4.5.13 A. Conjoining first order constructs

“Everything else in the business had to work to them (account teams within the order process) as customers ... we set up service level agreements (SLAs) with the central providers. For example, we had service level agreements with our cabling contractors. We set up service level agreements with British Telecom, we set up service level agreements with the warehouse, so that when we ordered equipment it would arrive on a date required to a certain level of quality, i.e. more than 98% of orders had to be on time to the original spec(ification) ... We got all (internal) supplier departments to focus on what were the order process targets, requirements of their internal customers and we set them measures to work to. Those departments for the first time were able to say to all their staff ‘These are our priorities. To take an order, confirm it and deliver it within a certain timescale to this degree of reliability’. Getting people to understand what their department's role was, what its responsibilities and priorities were to fit in with the process, meant that we were gaining consistency, we were focussing

staff on their key priorities and making them much more process orientated, which obviously had knock on benefits to the quality of our service to clients.”

“Created service level agreements between the front line account teams who were doing the selling and the planning and the service providers. ... It could be the account team goes back and says: look you are telling me this and that’s what I see as my input instructions, but actually that isn’t quite adequate, I’d like you to specify this or not specify that because it doesn’t matter to you but it matters to me. So you can do that across the interface which is where the SLA’s come in. That then gives people real process ownership. It gives departments a real ability to attend to the quality of what they do in control. What’s fatal is allowing departments to make changes when they don’t understand the impact on the overall process. There’s anarchy then.” (Technical Director)

“We got to the point where we are bringing in other departments, materials management, communications, cabling people and client training, that’s when you start to create SLA’s because now there’s a routine requirement for other departments to do some things, to get involved in the process and you can define these interfaces. Although you build up SLAs, you sit these two people down and say ‘ok we all know we have to do this in X days so what do you want from me?’ ‘Well I need details of the order, client’s name and address, this date, that date, XYZ’. ‘Ok I will give that to you and this is what I want from you. I want you to respond in 24 hours that you have an order and you can do it or you tell me you can’t and I want you to commit that once you, if that 24 hour period has gone by and you haven’t told me you can’t do it, you will do it. 99% of orders will be done by the scheduled date if you confirm at the outset that you can do it’. So that’s the build up of an SLA and you actually have people saying ‘no I can’t do 99% I can do 95%’ or ‘with the staff I have got I can only do it in 20 days and not 15’. Then you begin to build up fairly basic SLA type requirements.” (Technical Director)

4.5.13 B. Interpretation and second order construct

The board and senior managers ensured that the order process took priority over activities, carried out in functions that were service providers, e.g. purchasing. The service functions and external suppliers had to prioritise their activities and work load based upon the requirements of the order process. To ensure the service functions and external suppliers worked in unison with the order process, service level agreements were established between the order process and the service providers and external suppliers. Service providers

prioritised their work to fit in with the order process. Responsibilities and time taken for each activity were agreed and made visible in the agreement. Individuals could not change activities in their part of the order process or service provider function without agreeing it with others in the end-to-end order process. People negotiated realistic commitments with others in the process, e.g. based upon the resources available to them, and these commitments were recorded in the agreement.

Board and senior managers set up service level agreements, with internal central service providers and external suppliers, so that they fit into the requirements of the order process. (IM_SOC # 4.31)

4.5.14 A. Conjoining first order constructs

“Within each department you had somebody responsible for accepting where a department had not met their share of a service level agreement, we did it on a mutual basis, so if you as a receiving department got a typical work request and you said ‘****, they cocked it up yet again, I keep asking to do this’ and they haven’t, you would contact your counter-party in the other department and say ‘look, it says here in our agreement you would always put the date, client’s name and the delivery date, etc., and you haven’t again for the third time. Spoke to you the first time and you said it was a pure mistake, it obviously isn’t a pure mistake so can we agree this is a corrective action?’ ‘Yes ok agree this is a drop off.’ So both parties agree that something has gone wrong, they are not implementing the SLA and they agree a resolution date as well, ‘ok you are going to go away and fix this permanently, you are going to talk to people and when are you going to do it by?’ ‘Week on Wednesday’. ‘Good we agree a date’. That’s what went in on the corrective action system, which was a centralised database system. If they didn’t correct it by the date then it got gradually escalated. The thing is there was an agreed way of dealing with problems, it wasn’t someone slagging off another department and then saying ‘no it’s not true’. They agreed there was a problem. It all helps ownership of tasks.” (Technical Director)

“If the SLA is breached on a single incident we have a corrective action system. We log an incident on that which gets dealt with by the corrective action control within the division - a clerk - in conjunction with the manager in the offending organisation. Action is taken to ensure it doesn’t happen again and the incident is closed. The system is designed such that in the event that a particular corrective action hasn’t

been closed within a certain time period, it starts to escalate up the chain and I think if it goes over its agreed date I end up with an email and if I don't do anything about it within 5 days, (the divisional director) ends up with it in his email box and he sends it back to me saying 'what's this?' This is a typical response.

I have a severe problem with comms group at the moment. That's a short memo and on the back is a list of corrective actions for more or less exactly the same thing, (that occurred over) the last four months for more or less the same sort of incident which never gets fixed ... Dan Ozone manages the comms group and I copied it to his boss. Those are the sort of incidents. I received a gratifying telephone call from the assistant manager, comms group (with whom I get on well - useful to have these people who do things for you), his words to me were 'Mike I don't know what you have done but it's a hornets nest over here at the moment' ... Well, Dan would take it as a personal criticism, which it is and there is a lot of activity.'" (Implementation Team Member)

4.5.14 B. Interpretation and second order construct

Within each SLA is an escalation procedure. This requires the breach of the agreement to be recorded in a corrective action system, which is a central database. Along with a note of the breach, the parties to the agreement record the corrective actions to be taken and the dates by which these actions will be completed. Actions that remain outstanding beyond the agreed date are flagged automatically, by the system, with the functional manager. If he or she does not resolve the actions within a period of time, the system automatically sends a message to the divisional director, and eventually to the deputy managing director.

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| Account teams and line managers use service level agreements to escalate non-performance of activities in the process, which senior managers have to respond to. (IM_SOC # 4.32) |
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4.5.15 A. Conjoining first order constructs

"What was required was this ability to train people up to take full responsibility for an order right through to billing, debt collection. To put all the responsibilities into these individuals ... the whole concept of

ownership whereas before we had no ownership really, to speak of, of clients, of orders, problems. At last we were saying, no you can't walk away from it, you can't blame someone else, it's yours. If it goes wrong, it's your fault. That radically changed, very quickly, the whole business of blame culture and anything else, inter-departmental wrangling, blame, blaming the system. I kept saying 'No it's not the system, it's you, we have to change the process, and by changing the process you can do your job better'." (Deputy Managing Director)

"The account teams being the unit which would look after the customer and be empowered to act on behalf of the customer. That was the prime function of that unit. So the account team itself was getting responsibility for the client. The salesman was traditionally always out with the customer but we were then getting the business administrator and the planning engineer out with the customer more, meeting with the customer, responding to his needs." (IT Manager)

4.5.15 B. Interpretation and second order construct

The board made divisional directors, functional managers, and account teams jointly responsible for the end to end order process. In this way, individuals in one function such as sales, within an account team or at a managerial level, could not blame a colleague for poor service levels to customers: they are jointly responsible. The board wanted people, such as engineers and administrators, who did not usually get involved directly with clients to take ownership of client's needs.

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| Board made people in the order process jointly responsible for customer service levels. (IM_SOC # 4.33) |
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4.5.16 A. Conjoining first order constructs

"Nowadays if you don't react within 2 hours or whatever the time period is whoever is responsible for progressing the order is going to be on the phone saying 'where is it, what are you doing? It's your job to be doing this, why aren't you actually delivering this?'" (IT Manager)

"I used to be an area technical manager in the installation department. I was one of two managers and I managed half of the installation function within London. At the beginning of this process there were six layers of

management between me and the gentlemen responsible for the Financial Data business. There are now two. I have responsibility for a quarter of that business.

I have my engineers out selling things. Not actively but it is not infrequent to find out that I have an engineer who has come back from a customer who signed an order for a couple of RTs or he's gone in with the account manager and spoken to a customer who was not quite sure what this prism product was, so he spent half a hour on the whiteboard telling him all about prism, what it could give him, etc. A week and half later the client signed an order for something." (Implementation Team Member)

"They took full responsibility, they could not walk away and if you needed to know something you went to that business administrator. You didn't go to his manager, you went to that administrator, that account manager, that engineer... the front line account teams so that, again, the person had full responsibility without having to go to lots of other people to get jobs done." (Deputy Managing Director)

4.5.16 B. Interpretation and second order construct

Functional managers, from the technical, sales and administration functions took joint responsibility of the order process. They convinced people reporting to them to accept joint responsibility for their activity and the order process. Account team members took on this responsibility and proactively chased delays that might affect client service levels.

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| Functional managers, in sales, technical and business administration, accepted joint responsibility for the order process, and convinced those below them in the hierarchy to take joint responsibility for the process. (IM_SOC # 4.34) |
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4.5.17 A. Conjoining first order constructs

"We also put all of our administrators on a 6 month probation, effectively saying 'you are a sales administrator at the moment or some other form, technical administrator. If you want to become a business administrator these are the things you are going to have to do, these are the standards you have to achieve, these are the courses, this is the training and this is what we are looking for'. We appraised them regularly. At the end of 6 months not all of them had made the grade,

those that had not left the company or were given other jobs or, in some cases, there were a few who were given a bit more time to improve. Just over 50% did make it. There were quite a few who left or were given lesser jobs.” (Deputy Managing Director)

“Some of the ones wouldn’t make it and didn’t have the skills to absorb some cross functional disciplines. Some of them did and did very well, some didn’t, so we changed staff.” (IT Manager)

“There were certain people who overall didn’t like it, not because they resisted it as such, just because they didn’t feel it was something they then wanted to do. Their job role had changed and they perhaps didn’t feel that the role they were doing was something they wanted. Some left, some changed, some found it difficult to change ... some people didn’t make the change it has to be said. Didn’t like it, left or did something else.” (Technical Director)

“We had situations where people, some of them managers, who really didn’t buy the new approach, tried everything else, at the end of the day you can move them out of the way, you can get rid of them or you can explain to them the fact of life. Different processes used for different people. Some managers did go because they were getting in the way.” (Implementation Team Leader)

4.5.17 B. Interpretation and second order construct

The board created the role of a business administrator. The previous functional administrator role was changed significantly, and people fulfilling that role applied for the new role. The board set standards individuals had to meet to be appointed to the role, and individuals were appraised against those standards. Just fewer than half the number of administrators failed to meet the required standard. These people either left the organisation or were given lesser roles. A number of people, not only business administrators, were uncomfortable with the proposed changes and the new role offered to them in the divisions, e.g. being part of an account team, either at a managerial level or in the account teams. These people left the organisation either voluntarily or were given little choice but to leave.

Board set standards that people at all levels had to meet to remain in the process, and those who did not, were unwilling to or unable to meet the standard either left the organisation or were given different roles. (IM_SOC # 4.35)

4.5.18 A. Conjoining first order constructs

“We spent a lot of effort defining the skills (of all of our staff) of the account manager, planning engineer and the skills required of the business administrator. The BA is a very important role in the new set-up. We laid down, in addition, not only technical skills for that person, but also personal characteristics and we used psychometric analysis on each applicant. We had a psychologist in on the final interviews to help us decide whether or not these were the right people to have on board, to see what we laid down as a requirement.” (Deputy Managing Director)

“Staff changes, getting the right sorts of people with the right disciplines and skills to cope with some multi-functional disciplines in the account teams which we didn’t have before. Recruited a lot, professional people in that area.” (IT Manager)

“Our problem was that we didn’t have anybody or virtually nobody with administration skills within the company. A real problem.” (Implementation Team Leader)

4.5.18 B. Interpretation and second order construct

The board and divisional directors analysed the skills and personal characteristics required by people in the account teams. The board and senior managers assessed the functional administrators, sales people and engineers to determine whether or not existing staff had the required skills and personal characteristics. They discovered that the organisation lacked people that met the requirements for the business administrators and recruited people to fulfil this role in the order process.

The board accepted that people would have to be recruited with the skills and personal characteristics required by the order process. (IM_SOC # 4.36)

4.5.19 A. Conjoining first order constructs

“Sure they might be paid different amounts because the market rate for a business administrator is different to the market rate for a sales executive. But you have to accept that, that’s life, but it doesn’t mean that you are not listened to or given the necessary responsibility or the necessary ability to veto something if it is wrong.” (Deputy Managing Director)

“There are different remuneration packages within the group and that’s actually less of an issue when you put people together because they can see other people’s skills which they previously couldn’t see.” (Implementation Team Leader)

“On a financial base (technical people) see their earnings being eroded significantly ... Through pressures of efficiency, reduction in overtime and different approaches. Central technical groups feel threatened. They can see they are next for the re-engineering of the business process, which will affect their organisation. I have engineers who on a £21/22,000 basic earn £35,000 a year ... because they are working 40/50 hours per month overtime. I’m putting that under pressure. I’m saying ‘why are you going down there on Saturdays, couldn’t you do it in an hour Thursday night? Couldn’t you do that on the phone? Why are we going down to the West End to do a survey?’ A couple of days later going down to do the cabling, 2 days later installing the equipment and 3 days later going down and getting the customer to sign the acceptance. ‘Can’t we do it in two trips?’” (Implementation Team Member)

4.5.19 B. Interpretation and second order construct

Sales people, engineers and administrators were paid different amounts while they were in the previous functional structure. One consequence of bringing them together in account teams was they became aware of the differences in remuneration. The board aligned the remuneration of each role to the market rate for that role. Individuals within account teams accepted that people were remunerated according to the role and market conditions, rather than aligning remuneration of account team members.

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| People at all levels accepted that individuals in account teams would be paid different amounts based upon their role in the team. (IM_SOC # 4.37) |
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4.5.20 A. Conjoining first order constructs

“At the time to actually make the mindset change, to change 700 or 800 people’s view of how they do their jobs, change the set-up, take a risk with a £250 million business - you have to be pretty brave and believe it’s going to work.” (Deputy Managing Director)

“You need a very strong leader who shares it 100% and has got the courage to say ‘yes we are doing this and this is the top most priority’ because the thing that crucifies a lot of companies is they say they are going to do something and promptly get panicky when you start turning down work. So we had this over and above revenue generation, we didn’t care what happened to revenue implicitly. Our first and foremost aim was the (process orientation) programme.” (Technical Director)

4.5.20 B. Interpretation and second order construct

Financial Data’s managing director, deputy managing director, and board members set out to restructure the organisation, change people’s roles, jobs and mindset, and introduce new systems. These changes affected about 800 people in an organisation of 1100 people. The board gave the change programme priority and was willing to set aside short-term revenue generation pressures to achieve the order process.

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| Board members were willing to take risks to ensure implementation was achieved. (IM_SOC # 4.38) |
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4.5.21 A. Conjoining first order constructs

“Ours is an overall order process. These are the sorts of things you want to know typically: sales by division, net installations which is the amalgam of what you have installed and what you have taken out, installations by division, how much backlog of orders you have got, orders by division, how much revenue you sold in the month, the number of the key stations, revenue per key station, all these sorts of things are measurables at one level.

There’s a further level of detail that says if you take an individual order, how long is it between the date we receive the order, in other words this high level flow plan, so these we consider to be quite important dates and

particularly where they transit functional boundaries, so from the time the order is placed, how long does it spend in business admin, is it two days? How long do the planners spend before it gets to 'order in progress' as we call it, how long does it then spend under implementation, and how long does it take to commission and when do we get sign off? They basically are the measurables. And within each department then they can have measurables within their process. We would typically measure on an order what we call 'COF' (client order form) to commission, and COF to order in process which is the planner's done all his bit and this brings in the central service providers.

The important thing is on measurables that if you have a problem, so if we decide it's actually taking the planners 20 days instead of 10, can you drill him and find out why? What is it that's causing the planners a problem?" (Technical Director)

"We introduced measurables right across the board in terms of the number of orders, percentage of orders delivered on the day we promised to the client, etc., etc. The number of days overall it took to process the order, the number of days it took to bill, the number of days to get lines delivered, etc., etc. With those measurables we ran the business, started to run the business because we could see what was actually happening." (Deputy Managing Director)

"Within the installation group, starting to take a few measures and people suddenly realising how awful they were at things and maybe they could do a little bit better and starting to think about some of these numbers." (Implementation Team Member)

"Some of it's straight measurement. 'We're going to measure this', 'well we don't have a problem with that measure because we are very good', 'fine', and when it turned out it wasn't very good they had a real problem because they bought into the process, and many people you could capture that way because you didn't get them hearts and minds day one but very quickly by putting in measures they found they weren't actually performing anywhere nearly as they thought they were and were quite determined they were going to do a good job. Most people are determined to do a good job it's just how do you measure it. We tend to measure it ourselves, we don't always by somebody else's measure, but if you have agreed the measure you're stuck with it." (Implementation Team Leader)

4.5.21 B. Interpretation and second order construct

Financial Data introduced measurements at two levels. One, at an organisational level, for example, Financial Data measured sales by division, net product installations, and group revenues and costs per month. Two, at the level of the order process, Financial Data measured the flow of individual orders across the order process. For example, Financial Data measured the time taken by each activity in the order process, in service provider functions and external suppliers. Each activity such as planning, implementing an order, commissioning a service, and invoicing has a time, accuracy and quantity measure attached to it. Measurements were placed on activities that people believed they were good at and were performing well. Over time, people realised that the activity performed in the previous order process fell below the measurement laid down in the redesigned order process, and this reinforced the need to achieve the redesigned order process. Directors, managers and account teams, and service providers gained greater visibility of the activities in the order process, and were in a position to query why a particular activity took longer than it should or continued to deliver inaccurate information. People set the measurements that applied to activities and hence were unable to disregard them.

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| Board introduced measurements for each activity in the order process. (IM_SOC # 4.39) |
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4.5.22 A. Conjoining first order constructs

“In line with the redesign of the process and the restructuring of the groups, we had to train them up, for example, on how to bill, most of the administrators had no idea how to bill the clients, we had to train them. We had to train them to manage all aspects of the order process ... training up 700 staff in the new process and the use of the systems.”
(Deputy Managing Director)

“We modified the way in which people used the system... which was by training people properly on how to administer the products, which had never been done here before.” (Implementation Team Leader)

“We put the disciplines together and you could see that some individuals did more than an installation engineer’s job, they also did a bit of sales person’s job because they had that personality or they had those sort of personal abilities naturally. Those individuals, those skills were supplemented with additional training courses and, indeed, exposure to opportunities where those skills were used. The engineers very tightly within the engineering chain, we tried to put them into a sales situation and really had no skills within a sales environment or, indeed, a finance or business environment, still sit within the organisation, and those are the individuals who still think very clearly along their disciplined lines and, if you like, are the anchors on a chain within the organisation. We are using the people who have additional skills and supporting their skills to pull the organisation forward.

Engineers always considered that they could never project manage. You always have a project manager if you have a big installation. You sit down and say ‘why, what does he do’. ‘He draws up all the plans, organises all the people. Could you do that?’ Because people have it in their mind the fact that their management has always said you can’t do this because it’s not your job and it’s his job. What you actually have to do is to do a lot of talking in different situations to say ‘it’s more efficient if you do it. You’re going to enjoy it. Do you feel you can do it? Great, go and do it’.” (Implementation Team Member)

4.5.22 B. Interpretation and second order construct

The board instituted an extensive training programme, which covered the operational aspects of the order process, and the new systems that supported it. Each member of the account team was trained not only in their functional area but also learnt to perform jobs carried out by the other functions represented in the account team. People were trained shortly before they used the skills in the account team. In addition to formal training, people were encouraged to take on broader jobs that were outside their functional roles. For example, engineers were put in sales situations and took on project management jobs.

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| People were trained to have a broader range of skills for the order process and to operate the systems. (IM_SOC # 4.40) |
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4.5.23 A. Conjoining first order constructs

“He assembled around him a number of key managers who had a variety of experience and skills. We all knew there were problems and the unity of purpose evolved quite quickly, like in the first few weeks. Sharing the objectives, well we took the next line of management who reported to the senior team, so that probably meant about 40-50 people. We all went away fairly quickly for a 2 day strategic discussion, in fact I would almost call it a tactical discussion rather than a strategy, because we all sat around and broke off into various teams to discuss the key initiatives that we all felt to be important to our agenda for improvement, the change, for radical improvement really to the service we provided. We gave everybody the chance to question everything. That added a vast number of extra items to the agenda. We at that point had obviously got some key things on our list. But what that session did was to add a lot of extras that we could do, in many cases, quite simply and easily. All sorts of things which people came up with an idea and we noted it down religiously, we followed it through and it was action pointed and followed through weeks and months afterwards to make sure we achieved those things. Everybody knew that would happen so anybody who took an action had to follow it through. I think at that session there was a gelling, a pulling together because everyone could see what the clients were telling us and everyone could see there was a core programme and everyone was encouraged to add their own agenda items to it, we allowed to take ownership. Nobody could walk away. I think every single person in that room ended up with an action.

We started off by saying ‘this is a project plan for achieving the change’. Then it suddenly dawned on me that this was totally the wrong way to do it. The way to do it was actually force the managers of the various divisions to come up with their own project plans. What I did was I gave them a project manager to help them do it all in the same format so that we could amalgamate the various plans into one overall plan, so he took with him software, an approach and effectively helped them to facilitate their own project plans. In that way it forced them to be upfront and say/show how they were managing their own activities to meet the overall objectives. That was probably one of the most effective decisions I took because up until that point there was always the risk of non engagement, of neutrality, of hedge sitting. Once I suddenly turned it round and said ‘right, you all think that I have got you in here today to present to you the plans. Mistake number one. So what am I going to do? I am going to get you to go away now and present your own plans as to how you are going to achieve, and you are going to present those back to us in two weeks’ time as to how you are going to actually meet these requirements’. The whole of the company board would sit there and have it presented to them. ‘I have a project manager here, he has some software, he has an approach, he has a methodology. He will show you that in the next two days. After that you go away and you work it

out. If you need any help from him he will be there to help you'. I can assure you, Ashley, that after two weeks we had a complete set of presentations, which were excellent, showing all the different levels of commitment. They all knew they had to perform and they were not going to fail. That probably was more important than anything in getting the message across." (Deputy Managing Director)

"We (the divisional managers) worked it out ourselves. The three managers reported to a divisional director. Divisional director had the objective in mind, we all had common objectives, we all worked together with the teams and that's what happened ... The decision (to leave it to the divisional managers) was made at quite a senior executive level within the organisation. Tim is the Sales Manager within the division. He is one of the four people who run the division. I'm the top technical man ... We decided then who was going to work on which account. This was fundamental to the structure within the division, rather than something which was facilitated ...all decisions were made by (the managing director) and (the deputy managing director)." (Implementation Team Member)

4.5.23 B. Interpretation and second order construct

The managing director created an implementation team consisting of the managing director, deputy managing director, technical director and senior managers. The deputy managing director led this team and he employed an external consultancy firm to support him and form part of the implementation team. This team developed the mission statement, policies and objectives, and commissioned the customer survey. The team asked Financial Data's senior managers, about 50 people, from different functions to a two-day workshop. At this workshop, the implementation teams presented preliminary plans of the change and the senior managers were encouraged to question and refine the plans, for example, by adding their items they considered important to them. Managers at the initial workshop had an action to complete by the end of the two days, as a means to involving them in the changes. The divisional directors, once they were appointed, became part of the implementation team for their division. The deputy managing director began by developing a project plan for the changes. He changed this approach by getting each divisional director and their management team to prepare project plans for their division, which were then co-ordinated for Financial Data as a whole. Divisional directors had little

choice but to prepare implementation plans for their division. The divisional directors and divisional functional managers formed the nucleus of the implementation team in their division.

The board created implementation teams with senior managers and external consultants, and devolved responsibility for achieving the redesigned order process to them, they took on the responsibility and made divisional directors and divisional functional managers responsible of implementation in their division. (IM_SOC # 4.41)

4.5.24 A. Conjoining first order constructs

“We were modifying 2 possibly 3 existing systems to support the new order process.” (Technical Director)

“Initially the order process was reengineered using a paper based system and some minor changes to existing administration systems. The paper based system was then taken into FDITS (the installation tracking system), and that was fairly radically adjusted to allow it to support, in a slightly cackhanded way, the basis of the new process. ... The original system we had within technical on FDITS changed fundamentally. We originally supplemented its working/operation with forms that engineers would have to fax around the company from group to group. We then took those forms and incorporated them into the system, so the FDITS system actually went through quite a significant development phase and change in both the way it was used and the way the code was put together.” (Implementation Team Member)

“At that stage we were only modifying what was already there. Broadly speaking previously all the systems had been used as being systems to support the function. What we did was to say ‘that’s just not interesting, we’ll change the system to support the process’ ... they were basically able to support the process, albeit with difficulty.” (Implementation Team Leader)

“We had to, from our systems viewpoint, take our current systems quickly amend them to cope with the new order process. So that was one of the first things we had to do in the systems department. We didn’t at that stage totally go overboard and say ‘no, what we can’t do is we cannot support the new order process with these existing systems’.” (IT Manager)

4.5.24 B. Interpretation and second order construct

The board realised that the redesigned order process had to be achieved quickly and hence could not wait of the new system to be developed and implemented. Yet the redesigned process required systems to support it. The board modified its existing systems to support the redesigned process. The pilot teams developed paper-based forms to bridge the existing functional systems. Initially these forms were faxed from one department to another. These forms were written into the existing systems so that the systems could support the order process, pending the development of the new system. Consequently, the upgrade of the existing systems was done quickly and, shorter-term compromises that had to be made to the order process were reversed once the new systems were implemented.

The implementation teams used the existing systems to support the order process prior to developing the new systems. (IM_SOC # 4.42)

4.5.25 A. Conjoining first order constructs

“They were given an overall business perspective by (the managing director) which is a document of about 40 pages with high level, detailed things in there. Things like the ability to invoice, the ability to discount, what sort of discount should be allowed, what shouldn’t be allowed, how we report on those things. Quite detailed in some instances. That’s the spec they were building to ... most of the process was relatively well understood before NIS really got underway.” (Implementation Team Leader)

“In parallel with that (modifying existing systems to support the order process) we were designing a huge new replacement system which replaced all the others. We had the luxury of being able to design the new system based on working practice process we knew was working, so we were automating a working process. Because of timing that came in about a year at least after we rolled out the first implementation of the new process.” (Technical Director)

“To put in a system which more suited the order process rather than the elastoplastic existing system.” (IT Manager)

4.5.25 B. Interpretation and second order construct

The implementation team designed the order process and the business rules by which it needed to operate. For example, the design included the rules by which invoices, discounts, and management reports would be carried out. The order process design was contained in a document of about 40 pages and was approved by the managing director. While the new system was being developed the order process was implemented in the divisions. Hence, Financial Data was able to develop the new systems to support the actual activities and workings of the order process.

Financial Data designed and implemented the order process first and then developed the new information system to support activities within the order process. (IM_SOC # 4.43)

4.5.26 A. Conjoining first order constructs

“In fact the documentation produced actually says ‘the order process’ - the thick red book actually says ‘The Order Process’ and is the textual description of the entire order process. One book which includes all the technical functions. Any change on a technical function or process I would get involved in - it would probably be me that actually carried it through. If we have a problem and it’s down to some of the technical groups, it would be my job to find out what’s going wrong and initiate the change. There are really two key process owners. That’s vital otherwise you have no overall control.” (Technical Director)

“It meant re-writing all of our processes and procedures, not even re-writing, writing them originally because we didn’t actually have decent procedures or method prior to this. So we completely wrote it up from scratch, came out with books, folders, all the documentation was properly set up in a way which enables us to properly update it, maintain it.” (Deputy Managing Director)

“(The previous order process and procedures) were but they were fairly informal. They were not well documented. As part of the BPR initiative going in procedures came under very rigid change control, version control, release control, quality. That remains in place now. Those

procedures were put in place substantially by the re-engineering programme.”

4.5.26 B. Interpretation and second order construct

The redesigned order process was documented in great detail. Each major functional activity, sales, technical and administration, was documented. The documentation specified what people and systems did in each activity: what should happen on receipt of an order, during a technical specification, when releasing orders from one activity to another, when removing orders from the system, raising invoices, and following up late payments. The documentation laid down changes to activities and the level of authorisation required to change activities.

Financial Data documented all aspects of the future order process in considerable detail to achieve consistency across divisions. (IM_SOC # 4.44)

4.5.27 A. Conjoining first order constructs

“We sat down, in particular with a relatively small group, mainly John Home, myself, Tony Allen and Mike Rooney and the systems people, went through what was going on in terms of the process and how that meant we needed to change the existing system. When we started we were told: ‘no no you have got to change everything so you can’t put the system in’. ‘No no no we are going to put this process in so we have to change the system as quickly as we can, but we will accept some compromises in order to do this.’ We were using a system at that stage called BOS which I had no experience of at all, John Home had had extensive experience, he’d implemented it in another country and their implementation had been extremely smooth when compared with the problems (Financial Data) had got. Because he’d had onsite support he had developed a series of reporting modules that helped him. Tony Allen put the system in in (another region) and converted from a previous system, so he had experience of that but he asked me to help him convert his data from the old approach to the new approach so I’ve written the control reports that allowed him to work out whether the data was clean or not. So there was experience of working with this system brought into the group from outside, so that experience wasn’t within the group.” (Implementation Team Leader)

“NIS was developed through discussions, meetings, workshops held with functional managers ... The deputy managing director (co-ordinated the development of the new system). We had a large external organisation (support the IT department) to design and build the system, project manage it and they worked alongside our existing MIS people. We had 60 people at one stage from this external organisation sitting on a floor in Great Sutton Street building a new computer system. They weren't staff. Once the system was rolled out into the divisions, very slowly these people started to leave the organisation. Support demands became less and less leaving with us with our MIS UK people who were quite sufficient in number to be able to support the running and modifications to the system as are required from time to time.” (Implementation Team Member)

4.5.27 B. Interpretation and second order construct

Financial Data had an information systems (IS) department that developed the systems that supported the previous order process. People in the IS department understood the systems, however, people in other parts of the parent organisation had experienced changing the systems. This expertise was made available to the IS department. The board looked to the deputy managing director to co-ordinate the development. He recognised that the existing IS function lacked skills in terms of designing, building and project managing systems developments. Rather than outsource the development of the new system, Financial Data engaged an external consultancy to supplement the IS departments skills. The consultants worked alongside people from the IS department until the system was developed. Thereafter, the IS department took control of the systems and the consultants withdrew their input.

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| <p>The board recognised that the internal IT department, with additional expertise, could develop the systems to support the order process. (IM_SOC # 4.45)</p> |
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4.5.28 A. Conjoining first order constructs

“We have paid significant attention to the accuracy of the data which is held within our administration systems. We have audited all of our customers, been into their premises, seen what products they have,

adjusted their invoices and cleared up the debt position and the record inaccuracy.” (Implementation Team Member)

“To actually say: well the billing system says this guy’s got so much but our contractual system says we have so much, and our commissioning system says something else, so what is it really? That was done very much really in conjunction with the programme called account audit which was going on as part of the (process orientation) change anyway, and the account audit programme was where the business administrators were actually sitting down with our customers and saying: well what do you think you have got? Our records show this, let’s agree a position on this. That account audit programme was introduced to correct as much as possible the information on our separate systems to make them clean prior to us moving to NIS.” (IT Manager)

“We cleaned up our data through account audit and through the use of the new order process which kept it clean. The problem is if you had dirty data on (a client’s) site you couldn’t clean it up so we actually had to look at site data separately ... We had a massive workload which the accounts called account audit. It’s ongoing but the first time we did it was about going on to site, cleaning up all the data, making sure the customer basically was totally satisfied with his contractual position, etc. We did that and we told people we’d be doing it again and again and again, a rolling process. But one of the messages that was built in ‘why we must do it’ - and it was only one of the messages - we must do it in order to be able to dataload NIS.” (Implementation Team Leader)

4.5.28 B. Interpretation and second order construct

Financial Data’s account teams conducted an account audit on their designated clients. This involved going through each of the client’s records to assess the accuracy of the data. The audit required the account teams to visit customer premises to check the physical products held on site, to verify the services they held or bought, and to bring all billing details up to date. Each team had to agree with the client the true position of the account and get a signed statement to that effect. Product and debt errors were corrected to reflect what was agreed with the client. Each account team corrected the data held on Financial Data’s functional systems. The account audit was conducted prior to migrating to the new systems, so that the new system was loaded with clean data. The documentation developed for the order process specifies who is responsible for ensuring data items remain clean on an on-going basis.

Account teams cleaned clients' data before migrating to the new system.
(IM_SOC # 4.46)

4.5.29 A. Conjoining first order constructs

“In terms of the systems interface to the processes, what we have are systems user groups whereby we split the process down to three main areas. We have business managers who are responsible for chairing our system user groups in those areas, and then systems changes to support the process are generated from those groups and the IS department takes its prioritisation and its resourcing from those groups, we service those groups.” (IT Manager)

“Each functional group is resourced to different levels depending on the workload and the workload is managed through user groups. I chair the technical user group. We meet once a week. We review requests for changes that come from users. We review the work which is ongoing and sitting in front of the development team and basically who does what next. We actively drive the writing of any specifications for changes. You acceptance test them and control the main production. Communication from the users is good, close and it's the users who set the priorities for the IS department.” (Implementation Team Member)

“We (our user group) literally decided on all the priorities for the systems. Yes you can have that, no that's irrelevant. Yes I know it's painful, don't care. We targeted those things that were the most key in the short term and for the first year to eighteen months we prioritised all systems development - a non democratic approach.” (Implementation Team Leader)

4.5.29 B. Interpretation and second order construct

To develop the new system, Financial Data created three user groups: sales, technical and administration. Line managers from these areas chair the user groups. User groups prioritised developments, agreed changes to the system design and allocated resources to the information systems department. The user groups had a high degree of authority in terms of prioritising developments. These groups also communicated progress to their colleagues in the division.

Senior managers set up user groups and they controlled priority of the new system developments. (IM_SOC # 4.47)

4.5.30 A. Conjoining first order constructs

“We then had a series of migration reports which took the BOS data and compared it with what it looked like when it was moved across to NIS. We literally migrated data and looked at it and got NIS to tell us all its problems ...

When we moved out to the divisions and we were going to migrate we did 2 or 3 runs for each division and as we found issues for one division, we wrote them down and gave them to the next division. Not surprisingly North’s was the hardest migration because they were first, followed by East, followed by West, followed by South because that was the order in which we did them. We were looking for what have we done that actually helped us, what have we done that caused us problems, what data inconsistencies are we now aware of that we were not aware of last time, or South you have still got 3 months to correct this, it’s much easier to correct this before you do it. So a series of reiterative learning effectively.

We had a cut over plan. I remember this, you effectively had to close down, we had to freeze BOS and move orders to certain states within it so they could pull the data across. If it had gone beyond a certain state you would actually finish it off on BOS and then move it to NIS so there was a series of conversion routines. Broadly speaking it went along the lines of something like: you closed down BOS, ran the billing, moved everything to a particular order status, did the billing again, then you did the conversion run, then you did a series of reconciliation reports and then you had, NIS was live but you weren’t allowed to use any account until each element of data of that particular account was signed off, so you went through a series of activities to add data you couldn’t hold in BOS or to correct data that was inconsistent between the two, or whatever, you then signed off as being correct and then you could process an order. In the meantime you had a problem if someone ordered in the middle. We had to have the ability to hold that data to one side and make the order happen. Mind bogglingly boring.” (Implementation Team Leader)

“NIS was introduced to City North in the Pilot 1 team about 50 accounts, started running orders through that and then half the division went and then the other half. Part of the migration process involved a significant amount of data transfer from the old to new systems ... Each division took at least two months because the migration actually occurred on each month’s financial cut-off dates.” (Implementation Team Member)

“We certainly rolled out the system in very small batches first of all - into one division, into one account team, they ran.... I don’t know, it was probably 20 or 30 accounts on NIS to start with and probably not key accounts either, you probably specified those. You had a ghastly problem of handling orders in flight as well, because you can’t cut into our process. You always have orders ongoing. You have a planner handling maybe 5 or 6 orders simultaneously and it was difficult for him to handle some on the old system and some on the new system. That was quite complicated but they found a way round it. It was a pain actually. Service providers found it ghastly because of course they were using two systems until everything had been cut over. At least at the planning level you could cut over individual new orders on to the new system, but these poor ***** out here were seeing orders from all over the company because they are central groups and they had to look at two systems for many, many months. That was complicated.” (Technical Director)

4.5.30 B. Interpretation and second order construct

Financial Data produced a detailed migration plan to guide the transfer from the previous functional systems to the new single system, NIS. A key stage in the plan was the transfer of data. The organisation began by transferring a small quantity of clean data to the new system. Reports were produced from the new system and compared with the original data check for anomalies. Once the data could be transferred accurately, data for one division was transferred to the new system. Initially data for one account team and their clients was transferred, other account teams followed this, until the entire division’s account teams were on the new system. The migration plan followed the same pattern in each of the other divisions. Order received during the migration period were fulfilled, and the data relating to these orders were added to the new system after the migration was completed. Each division had to use both old and new systems during the migration. People in the service functions had to use both the old and new systems until the last division migrated to the new system.

Developed a plan to migrate from old to new systems one division at a time and used both old and new systems in some parts of the organisation. (IM_SOC # 4.48)

4.5.31 A. Conjoining first order constructs

“For a start we broke up a large central technical planning group and positioned those people with those who carry out the sales administration and formed account teams ... We had before an installation group with an installation manager. 80 odd people. That changed to be 4 separate installation groups as part of 4 separate business divisions. So nominally 20 technical people in each division but they were then split up into the account teams, so there isn’t now a group called installations anymore, it’s part of the account teams.” (Technical Director)

“We put in place in the teams a multiple disciplines that would support the customer base. ... I think the key was breaking down the functions.” (IT Manager)

4.5.31 B. Interpretation and second order construct

Financial Data had a strong functional structure. The functions most affected by the order process were sales, technical and finance. These functions were divided into four, and about a quarter of each function was placed in each division. People from each function were split further into account teams, which made the need for the previous functional structure superfluous.

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| The board broke up traditional sales, technical and finance functions and moved people from these functions into account teams. (IM_SOC # 4.49) |
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4.5.32 A. Conjoining first order constructs

“Initially they were all moved into the same building and you had an area which was technical, an area which was sales and an area which was administration.

You’d let it ride for a couple of months and then you stuck them all around the same desk. It was in that approach.” (Implementation Team Member)

“We then brought them into this division and we sat them, for example, admin was sat in three blocks, technical in two blocks, account managers in two blocks. Still sitting together ... we started explaining to them

what was going to be done. We actually, I remember, August Bank Holiday when we moved everybody into their own teams ... We split them on August Bank Holiday and rearranged the desks so they were in teams whereas previously they had been in blocks and that was done over one long weekend.” (Implementation Team Leader)

4.5.32 B. Interpretation and second order construct

The previous sales, technical and finance functions were located in different buildings and on different floors. People in these functions were relocated to the building that housed each division. Each functional group initially sat together, however, once the account teams were formed, people moved out of their functional groupings and were collocated as cross functional teams.

The board and senior managers collocated people from the sales, technical and finance functions. (IM_SOC # 4.50)

4.5.33 A. Conjoining first order constructs

“The first thing we did was to sit, say, the technical people together in blocks of, say, 7 people, 7 planning engineers. We knew they had to support clients, they were aware of the changes going on in the background but they hadn’t changed yet so they were just becoming aware of what was going to change. And they started by actually working together to support the clients as they had them now. They had not previously done that, what they’d always done was react to a specific instruction about a particular job. They were mapped to accounts. So we mapped them to accounts and said right ‘this group will work on this account’ ... same clients ... Group A of clients - they all had responsibility for that group, so the planning engineer was mapped, one sales manager, and one business administrator.

Physically it was, they had already started working together because they ended up starting talking to one another as a natural basis of being on the same accounts, they were encouraged to meet on a regular basis, they were formally being told they had to meet, say, once a week to go through the order book. We drove them through the process, rather than being the cosy ‘let’s sit you together’ routine, we drove the process through and made them work on that basis.” (Implementation Team Leader)

“And have as many individuals as you needed, have as many teams as you needed to suit the volume of work being generated by that number of clients. So obviously some teams had 3 or 4 clients if they were high volume, large clients and high volume of ordering, I mean, and large revenue. Other teams had large numbers of clients, maybe 60 or 70, because they had small numbers of orders in a year and maybe quite small revenue.” (Deputy Managing Director)

“Then in responsibility terms, as the next stage, you identified an engineer who would work on the same customer as the administrator would work on and the sales person would work on, even though they happened to be sitting on three different floors.

Basically it was achieved through agreement between me, the sales manager and the business administration manager. We sat down and carved up the accounts, very sales driven but I think the nature of the change in the organisation is that everything is very much more sales driven now than it was before. Tim decided which accounts he was going to give to which sales executive, and then we looked at the technology that sat within these accounts and I said which engineer was going to work on which set of accounts and which business administrators would then support those accounts. Effectively it was manipulated.” (Implementation Team Member)

4.5.33 B. Interpretation and second order construct

The division’s sales, technical, and administration managers assigned an individual from their function to a client. The managers selected individuals based upon their knowledge of the client and the type of products they had. Individuals were told which clients they would assigned to, and the specific people in other functions also assigned to that client. Hence, one sales person, engineer, and administrator began working together on the same client (although they were not collocated at the time). Some teams were assigned to 3-4 clients and others had up to 70 clients, depending upon the volume of business. They were encouraged to meet their colleagues both formally and informally.

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| Senior managers allocated clients to specific account teams. (IM_SOC # 4.51) |
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D4_4.6 Effects of radical process orientation

4.6.1 A and 4.6.1 B are located in the body of Chapter 4.

4.6.2 A. Conjoining first order constructs

“I have a structure that I believe in, I have a business that’s running well, I have processes that run effectively, and now they can be better and finely tuned by people who understand their job and whose behaviour can only be enhanced.” (Deputy Managing Director)

“Internally things are much more in control. Everybody can see what part they play in terms of the input to the process and the visibility of the process end to end, so that instead of things halting or maybe papers were going into someone’s in-tray and staying there for 4 days before anything happened, that does not happen anymore because people are in control of the process ... the new order process was put in place facilitating account team structure to allow the account teams to be in control of the order process, to allow the account teams to know in what state an order was and then allow the account team to track and monitor the progress of the order through those other simple functions.” (IT Manager)

“The sorts of benefits we had were genuinely steps forward. We are able to process a service only order, straight through our commissioning systems from the order. We’d never been able to do that before. What we’d done was move our file maintenance staff into the division and we would pass them an order which they would have to re-key. We were now able to get the BA to commission it directly by keying the order which converted into the instructions for our commissioning system. That’s a major step forward. It cuts out problems, it cuts out time. So we were in a situation where we were able to say to account teams ‘you can now control service and the orders, you’re not dependent on anyone. You check to see if they are right, you commission it’. That’s an enormous sense of control for the BA, so that is a key deliverable to them and to the customer.” (Implementation Team Leader)

“Those people (with a functional focus) now have a view of the fact that their team, made up of an engineer, sales person, administrator, actually sold £10,000 worth of kit last month and we installed it in 7 working days and we only have a debt position of £5000 after the last quarter’s billing and we are winning the team competition. They feel in control of the business, they understand how their contribution goes straight to the company.

We were in the installation department in a building housing the installation department. The new process was re-engineered by installation engineers and it was an installation process. It wasn't until we started to put people together that our outlooks broadened and people started to understand the implications of their process on the guy next door's process. At that stage there wasn't a great deal of cross discipline consciousness, because people who were designing the process and being trained in the process had no experience of the other functions. It wasn't until we actually got them all sitting round the same desk and the engineer seeing the customer order coming in off the street, handed by his sales person, actually realised 'he's got to do all of that in that process there. Well can't I help him? Half of that isn't necessary because I do it all again over here'." (Implementation Team Member)

4.6.2 B. Interpretation and second order construct

Board members believe they have a structure and order process that has given them greater control over the business. People at all levels have greater visibility of the order process, their part in it, and the effect they have on activities in other parts of the process. People in the account teams are in control of the order process, can monitor its performance, and can act to ensure customer service levels are maintained. People have a high level of consciousness of activities in other functions. People have become more sensitive to pressures faced by people in other functions in the order process.

Management and staff are in control of the order process and understand the implications of their activity on others in the order process. (ERPO_SOC # 4.53)

4.6.3 A. Conjoining first order constructs

"Financial Data traditionally has never been a consultative organisation. The old structure was hierarchical and task driven. People were told how to work and told what to do and effectively nothing changed in the management style, we just reorganised people by telling them what to do. Of course selling benefits, selling benefits, selling benefits all the way through. That was it. How did people respond? There are still places within the organisation where all you have done is moved the

same people with the same attitudes doing the same job to sit in a different place. I guess that would be true of any major change. What you have done is changed the relationship they have with other people through a process redesign, there are inefficient processes and efficient processes and we made an inefficient process more efficient so therefore you are more productive, but in terms of style and thinking, he's still sitting behind his desk doing the same job ... I think we still have a lot more work to do. One of the problems we have with the current structure is that a lot of the executive decision making is still made between Tim, Chris and me and the assistant managers are all managing tasks and customer relationships, etc. and technical assistant managers don't talk to business assistant managers who don't talk to sales managers. You find a technical person who has an issue with an administration problem come all the way up to me, I go to Chris and Chris goes all the way down, and that's wrong." (Implementation Team Member)

"The process control still resides with (deputy managing director) and (managing director), they still haven't released process down to process managers. What has happened is that you have a group of people who document procedures surrounding the process and that changes to procedures are often sanctioned and are asked for, they are signed off by (the deputy managing director), so he still keeps very much control over it." (IT Manager)

4.6.3 B. Interpretation and second order construct

The previous management style, characterised as 'telling those below in the organisation', has changed in a minor way. Board members still tell divisional directors what is expected of them, and they tell line managers, who tell people in account teams. Some traditional functional attitudes continue to prevail, especially at the level of assistant managers.

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| Some aspects of the organisation have not changed. (IM_SOC # 4.54) |
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4.6.4 A. Conjoining first order constructs

"All sorts of bills were unpaid, which eventually got paid and we were covered and we had obviously made all the right accruals, etc. but that wasn't the point, each year on year we were getting a larger and larger

accrual for unpaid debts which then become harder and harder to collect. There was also a lot of uncertainty about the revenue figures.” (Deputy Managing Director)

“I think it was something in the region of £5 million debt provision when we started, now £100,000. As we got more and more control over the organisation, the provisions fell ... it was necessary to have such large provisions, because without them we didn't have control over the business so you didn't know what your revenue was going to be. You needed to have that lump of money there.” (Implementation Team Member)

4.6.4 B. Interpretation and second order construct

The organisation was able to reduce its debtor position and hence was able to improve its cash flow and reduce its provision for bad debts.

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| Substantial decrease in bad debt provision and invoices are accurate and paid by customers on time. (IM_SOC # 4.55) |
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Appendix 5 Carton Carriers: First order constructs, interpretation and second order constructs

This appendix forms an integral part of Chapter 5.

E1_5.3 Commencement

5.3.1 A and 5.3.1 B are located in the body of Chapter 5.

5.3.2 A. Conjoining first order constructs

“Round about 1989, as Home Merchandise generally started to reach a plateau in terms of its growth and future.” (Managing Director)

“For the industry as a whole, however, the average number of customers per agent has fallen from 12 in 1970 to under three in 1988. And modest sales increases have been generated only by huge promotional spending which has succeeded in bringing in new catalogue holders whose average spend has fallen. The number of catalogues sent out by (GMR Home Merchandise) and its sister company (GMRK) rose from 3.4 million in 1985 to 5.7 million in 1988.” (Source: newspaper report)

“Home Merchandise is of course a much larger company, much more important to GMR. So I think he was able to ... I suppose in our way, if we gave a bad level of service, it wasn't just revenue lost to Carton Carrier, it was profit lost to Home Merchandise.” (Services Manager)

5.3.2 B. Interpretation and second order construct

Home Merchandise's chairman and directors realised that year on year growth was no longer guaranteed. Home Merchandise contributed roughly 66% to GMR's total turnover and between 40 - 45% of its pre-tax profit. A slowdown in Home Merchandise's growth would adversely affect GMR, and its overall ability to invest in future developments. Industry changes, which affected Home Merchandise's growth, are reflected in press reports at the time. Home Merchandise's competitors offered an equal or greater range of products to customers. In 1984, most customers had a catalogue from only one company. Customers were spoilt for choice as each catalogue often held 1,000 pages with

50,000 different items to select from. By 1990, 55% of customers with one catalogue were likely to have a competitor's catalogue as well. This, in a stagnating market, led to a limited amount of total customer expenditure being spread thinly across competitors. Home Merchandise and its competitors increased the number of catalogues distributed; some companies nearly doubled the number they circulated. Also towards the end of the 1980's credit was easier to obtain, as banks, credit card companies, and retailers all offered easy credit terms. The wide range of product choice and the availability of credit meant that customers were unwilling to accept poor levels of service.

GMR (Transport)'s major customer, Home Merchandise, faced increased pressures from competitors. (C_SOC # 5.2)

5.3.3 A. Conjoining first order constructs

“(Home Merchandise’s) policy of ongoing investment has been maintained with a view to providing an improved level of service to agents and customers by increasing productivity and reducing overheads.” (Source: GMR Group press release on 20 July 1990)

“GMR (Transport) developed as an internal division of Home Merchandise, and as the sole distributor of parcels from the Home Merchandise company through to the end customer ... It’s (GMR (Transport’s) client, at that stage, major client was GMR Home Merchandise. Home Merchandise ... would have no real power to threaten the transfer of that business away from GMR (Transport).” (Managing Director)

“We (GMR (Transport) had this one major customer (Home Merchandise) and it didn’t really matter whether we served them or not ... the company were able to ... say to (Home Merchandise), ‘This is what we can provide you with’.” (Regional General Manager)

5.3.3 B. Interpretation and second order constructs

Home Merchandise realised it had to improve customer service levels due to growing competition and changing customer expectations. Yet, GMR (Transport) disregarded the competitive pressures facing Home Merchandise and its intention to deal with the pressures. GMR (Transport’s) directors believed

that Home Merchandise, as a sister organisation, had little real power to transfer its annual traffic of 70 million parcels away from GMR (Transport). Home Merchandise was considered a captive client, and GMR (Transport)'s directors believed that the service levels provided to Home Merchandise could continue unchanged.

GMR (Transport) continued to provide poor levels of service to Home Merchandise in spite of its changing situation. (C_SOC # 5.3)

5.3.4 A. Conjoining first order constructs

“Whilst it (GMR (Transport) was part of the group, (it) had a degree of autonomy in the past, and as a consequence it was treated almost as if it were an independent company, so there was no real affinity or empathy in the Home Merchandise production processes leading through the distribution network in the form of GMR (Transport) through to end delivery ... we've sought to bring the tail end of the Home Merchandise activity closer to the front end of the Carton Carrier activity.” (Managing Director)

“GMR (Transport) was very much a business on its own, and it still is, but for years we had run so independently, we had hardly any contact with Home Merchandise ... this was my understanding anyway, is one of the things that (the chairman of Home Merchandise) was trying to do, and has done, is to try and bring Home Merchandise and GMR (Transport) under one umbrella.” (Personnel Manager)

5.3.4 B. Interpretation and second order constructs

GMR (Transport) had a high degree of autonomy. It operated as though it was an independent organisation, and had little contact with Home Merchandise. However, Home Merchandise's directors sought to bring the operations of the two organisations, namely Home Merchandise and GMR (Transport), closer together. The managing director's description of a parcel moving through distribution to end delivery reflects the level of alignment sought by directors.

Home Merchandise wanted the two organisations' operations to be more closely aligned. (C_SOC # 5.4)

5.3.5 A. Conjoining first order constructs

“Home Merchandise customers ... indicated that there was a degree of dissatisfaction ... about the length of time it took to deliver parcels. And may be more critically, the inconsistency in that time between placement of order and receipt of goods.” (Managing Director)

“In terms of the actual quality of service, with mail order customers, I think its probably fair to say they're a fairly forgiving lot, mail order customers, and they don't mind if you leave the parcel in the bin or on the doorstep. And without wanting to sound dreadfully snobbish, a lot of them were working class people, some of them in fact had nowhere else where they could get the credit. So they had to put up with whatever we dished out to them. But you know, they were working class blokes, and if you were dealing with a complaint, nine times out of ten, you could finish up with 'well I don't want to get the driver into trouble', and all this sort of thing because they were fellow workers.” (Regional General Manager)

“If individual customers were dissatisfied by the service, they would have no real power to threaten the transfer of that business away from GMR (Transport).” (Managing Director)

“It used to be a standing joke: at Christmas, you'd deliver a catalogue and Mrs Bloggs would say 'where's my Christmas present for little Johnny?' and you'd say 'on page 32 of the catalogue!'” (Depot Manager)

“The industry has paid lip service to catering for working women, for example, but still it is too often not prepared to make sure that deliveries are made while people are at home.” (Newspaper report)

5.3.5 B. Interpretation and second order constructs

Home Merchandise's directors recognised that customers expected shorter delivery times and consistency delivery periods between placing an order and receiving their goods. These expectations were not being met. GMR (Transport) considered Home Merchandise's four and a half million customers to be not very demanding in terms of service standards. Customers were considered to be relatively less powerful, as once they purchased a Home

Merchandise product they had little choice but to await its delivery. Little attention was paid to informing the customer about delivery delays. Often customers had to wait until a GMR (Transport) driver came along, with some part of their order, or simply to deliver the latest catalogue, to find out when their goods might arrive. The gap between customer expectations and industry service levels are evident also in press reports. GMR (Transport)'s directors believed that customers would continue to tolerate poor service levels that they had been offered in the past. The directors also expected customers to behave as they had done in the past. However, customers had a greater choice of products from a larger number of competitors, which meant that they could shop where they received better levels of service.

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| Customers were leaving due to long and inconsistent delivery times. (C_SOC # 5.5) |
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5.3.6 A. First order constructs

“I was a depot manager, five years ago. The changes to this company really came about, or the catalyst that started it, I believe, although it was thought about a long time before the catalyst had started, was Malham depot. Because five years ago, Malham depot had so many parcels around us we were sinking. Literally sinking. I had 82,000 parcels in the depot and 27 trailers backed up behind me with parcels on board.”
(Depot Manager)

“A good example of this is when we went to Malham in January, we found parcels - the oldest parcel in the depot was from May (previous year). (The depot manager) wouldn't thank me for repeating that story.”
(Services Manager)

5.3.6 B. Interpretation and second order constructs

Board members and managers considered that the organisation needed to change but had taken no action in spite of the backlog of parcels. The 82,000 parcels alone represent about a 2½-week backlog. This brought one of GMR

(Transport)'s largest depots to a complete standstill. This crisis was the catalyst that focused management's attention on starting to change the organisation.

A depot had 82,000 undelivered parcels and 27 trailers with undelivered parcels on board parked on the street outside the depot. (C_SOC # 5.6)

5.3.7 A. Conjoining first order constructs

“So instead of the drivers coming in and picking and choosing what they wanted (to deliver), the management would plan the drivers' days work and tell them what to take out.” (Assistant Depot Manager)

“If you lived on a tower block on the 23rd Floor and you'd ordered a bike, you might have got it in six months time. You might not get it ever because the driver didn't want to go to your flat. So just leave it there. As long as he took out 'time critical parcels' he didn't mind, so he never took your bike, because he knew it was a pain in the bum to take it up there.” (Depot Manager)

“These drivers (would go) to their cages of parcels and say 'Oh, Christ not that one (address), it's got an alsation dog'.” (Services Manager)

“If we go back to 1991, at that time we operated a system within the depots whereby basically the good drivers managed management, rather than management managing the drivers.” (IT Co-ordinator)

“We used to do what we wanted to do or what we thought was a fair day's work ... Five years ago I'd come in in the morning and I'd sort out maybe 200 parcels for what I thought would be a good area, and I knew I could cope with ... however, decisions about which parcels would be delivered were taken out of drivers' hands ...whereas now our job's are all planned for us. We can only take what they've planned for us, what they want us to take.” (Driver)

“In effect the drivers themselves were really dictating the service that was provided by the carrier ... we had to seek ways of taking that control away from drivers and putting it in the hands of the management of the business.” (Managing Director)

5.3.7 B. Interpretation and second order constructs

Drivers had no clear instructions for the selection of parcels to be delivered each day. Depot management left parcel selection up to the drivers,

which resulted in an arbitrary 200 parcels per day being delivered to customers. Depot line managers neither specified which addresses drivers delivered to nor monitored which parcels were actually delivered. Hence, drivers delivered parcels to whichever address they wanted to on their round, and by default, controlled the parcels that were delivered, and dictated the level of customer service provided by GMR (Transport). Drivers often did not deliver parcels to certain addresses simply because they knew that it had an awkward location or some other characteristic about the address made the delivery difficult. GMR (Transport)'s management had little or no control over two key delivery activities: (i) selecting parcels for delivery, and (ii) ensuring parcels were actually delivered by drivers. A van driver acknowledged that he, rather than depot managers, decided the parcels he delivered and the addresses he delivered to. He based his decision upon what suited him in terms of the deliveries that he thought he could cope with. However, Carton Carrier's board members and senior managers wanted to manage the levels of service offered to customers by taking control of the activities performed to deliver a parcel.

Lack of management control over parcel selection and actual delivery of parcels led to inconsistent delivery times and poor levels of service and managers sought to take control over activities that affected delivery times and service levels to customers. (C_SOC # 5.7)

5.3.8 A. Conjoining first order constructs

“We were well along the route of changing it on to this work study process. Work study was already been used in Home Merchandise, which is where (the chairman) had come from. So I think it was almost, if you like, it was a first stab. ‘Well it works in Home Merchandise so let’s develop it for GMR (Transport)’. And when I joined we were well down the path with a lot the work that had to be done with Timing Studies and all this sort of thing. They’d done an awful lot by the time that I joined. But no agreements were in place. Now the work study gave us the tool to actually enable us to start saying to the drivers ‘This is what we want you to do today. That’s where we want you to go’.”
(Personnel Manager)

“Using work study techniques we found a means of measuring work content in place of the number of parcels.” (Managing Director)

5.3.8 B. Interpretation and second order constructs

Carton Carrier started a work study initiative in order to address the drivers for change. They chose this initiative as it had been used and shown to be effective in Home Merchandise previously. The people implementing the work study initiative measured each activity performed to deliver a parcel. Carton Carrier’s directors felt that the work study initiative enabled activities to be brought under management’s control.

Carton Carrier began to address its drivers for change with a work study initiative which involved examining the activities performed to deliver a parcel. (C_SOC # 5.8).

4.3.9 A. Conjoining first order constructs

“Six years ago, we’d have just changed, and the warehouse would have done the same. They would have just changed something, and we would have probably found out about twenty-four hours beforehand ... whereas at least now, at least when there are board meetings and such like, you do get the heads of functions and directors and whatever from all different functions, and say six years ago, that just didn’t happen. It just didn’t happen. And I think at least now everybody feels as though they are part of a warehousing and distribution function, in that we can’t operate without the warehouses, and they can’t operate without us. So I think we know that we’ve got to work together, and six years ago, I don’t think we did frankly.” (Personnel Manager)

“The old structure was divisive in the sense that there were clear parameters of responsibility, and as long as your own house was in order, then the last thing you want to do is do somebody else a favour. It’s sounds extreme but that’s maybe over-egging the difference, but to a degree that’s the way the thing was structured. I think the bringing together (of activities in the parcel delivery process) then meant that there were far greater opportunities to look at corporate issues that could be compatible.” (Managing Director)

4.3.9 B. Interpretation and second order construct

The functional structure divided the organisation into separate areas, each of which operated independently. Each had its own set of responsibilities, and so long as these were met, people rarely concerned themselves with the performance of other areas. Each function changed activities under their control without reference to other functions. People believed their function could operate in isolation of other functions. The board realised that the changes had to affect several functions.

The drivers for change required organisational changes to be co-ordinated across the sort centres and depot operations at managerial and operational levels.
(C_SOC # 5.9)

E2_5.4 Changes that occurred

5.4.1 A and 5.4.1 B are located in the body of Chapter 5.

5.4.2 A. Conjoining first order constructs

“The business was structured in such a way that there were joint managing directors at the time. One of the joint managing directors was the finance director and he controlled all the financial aspects of the business. The other joint managing director controlled everything else. And the service departments were managed in ‘89 by a management services director who looked after all the work study and in areas of security. He reported in to the operations director ...

Today I manage the operation. I don’t have trunking to worry about. That’s controlled by (another director). The depot operations are my direct responsibility.” (Managing Director)

“As far as the trunking operation was concerned and the feeding of the traffic into the depots, we introduced Regional Sort at Wembley in 1990, which replaced Depot Sorts at Depot level. We introduced a Regional Sort at Worcester which again, as far as the south-west depots were concerned replaced the conventional sorting arrangements.” (Regional General Manager)

“The sort centres have changed things fundamentally, because we now trunk via a Sort Centre to a Depot rather than direct to the Depot. And so the Sort Centres are new ... the delivery process I would say it was from the warehouse, the point of delivery. And I’d include in that despatch from the warehouse, sortation (sic) and trunking.” (Services Manager)

5.4.2 B. Interpretation and second order constructs

The senior management team of GMR (Transport) consisted of the board and the regional general managers. At the head of the management team were two joint managing directors: one carried the responsibility for the financial performance of the organisation, and the other was responsible for the rest of GMR (Transport). In addition to the joint managing directors, the GMR (Transport) board had directors of other functions for example, contract hire and management services. Carton Carrier retained the functional structure and created the parcel delivery process from within the functional structure.

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| Carton Carrier created the parcel delivery process from activities within the functional structure. (CTO_SOC # 5.11) |
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5.4.3 A. Conjoining first order constructs

“And therefore what we sought to do was to move away from what could have been described as an autocracy at the time where all decisions were Head Office taken, and issued in the form of dictats (sic).” (Managing Director)

“Whereas six years ago, we’d have just changed, and the warehouse would have done the same. They would have just changed something, and we would have probably found out about twenty-four hours beforehand.” (Personnel Manager)

“And the way that it’s best described is the warehouses, who would receive the orders to pick, assemble, pack and despatch, would go through those processes and load the parcels on the back of a trailer, close the trailer doors, end of ownership and concerns. That’s it. It’s somebody else’s problem, even though it was within the Group, it would be assumed then to be handed over and it was thereafter Carton Carrier’s problem to deal with it.” (Managing Director)

“We operate on the basis that in relation to Carton Carrier, if we can bring about a change that has a net benefit to the operation, it means that a cost is incurred at one stage of the process but to the benefit of another stage. Then, as long as the net is profitable it doesn’t really matter where the costs occur, so long as the benefits are taken ... whilst one of the parties to that would perhaps incur some costs, if they just viewed it from a parochial point of view.” (Managing Director)

5.4.3 B. Interpretation and second order constructs

Each function operated autonomously and changed activities under its control without consulting other functions. For example, Home Merchandise changed its sorting activity even though the change resulted in difficulties in the depots. Each function operated on the basis that as long as it performed its activities it was unconcerned with others’ performance. Carton Carrier directors recognised that this needed to change, and sought to move away from functional and head office autocracy. The parcel delivery process became the basis upon which changes, benefits and costs were evaluated. Carton Carrier focused on optimising the parcel delivery process rather than individual functional activities. This enabled directors to rise above short term, budgetary constraints and the optimisation of cost in one part of the parcel delivery process. Directors took decisions that ensured net benefits in terms of customer service and profitability were captured within the overall process.

Carton Carrier altered the balance between functions and the parcel delivery process, such that the process is considered as essential as the functions in the organisation. (CTO_SOC # 5.12)

5.4.4 A. Conjoining first order constructs

“A Supervisor, although there were three of them, you still looked at a Supervisor looking after sixty drivers. They didn’t have twenty drivers each or anything like that. They looked after the whole lot. So three Supervisors would look after sixty drivers, or one Supervisor would look after sixty drivers. It depended who was in the office at the time ... in

those days they would put a problem in the Malham area on to a supervisor. Basically whoever came in the door first dealt with it. So there was no personal attachment to it at all.” (Assistant Depot Manager)

“The old supervisors used to run the whole depot, but they had no control over the whole depot, they were just booking out people, and adding up figures and checking things.” (Depot Manager)

“(Supervisors were) floor walkers who had no real responsibility. They used to literally check the drivers out in the morning and check them back in the afternoon and they would rotate the shifts, and that was it. They didn’t recruit, they didn’t discipline, they didn’t cancel, they didn’t do anything really.” (Personnel Manager)

“PDM’s role as against the old Supervisor’s role again has dramatically changed a PDM now, a Parcel Delivery Manager, manages a team of drivers and he is responsible for everything that team does (in the parcel delivery process) ... They do everything for the driver. They arrange the training; they don’t necessarily do the training themselves. The parcel delivery manager’s do the training but they don’t necessarily train their own people. But they certainly monitor them for the first thirteen weeks. They plan their day’s work, counsel, and coach them. They deal with the discipline side of it up to first written warnings. They monitor the claim situation. They certainly monitor the claim situation. They do delivery checks on them. They go out and see the drivers on the ground. They actually manage that team of drivers completely. Whereas they never used to, they were really like a foreman role across the whole depot. But that’s changed quite dramatically with them.” (Depot Manager)

“So the responsibilities have broadened out from that point of view. In terms of service, we are far more conscious of it. We always said that service was (a depot manager’s) job, and now with development of (the process and), the ability to measure performance this is possible. There’s far more autonomy in the field now than ever there was and the depot managers for example, when I was depot manager at Liverpool, I wouldn’t even work a week-end, you know, turn the drivers out on Saturday without talking it over with my boss ... and now, the first thing you ever write when you’re writing an appraisal of the depot manager is to say that he is responsible for the profitable operation of his unit.” (Regional General Manager)

“I think depot managers probably, we are very much more managers as against hands-on managers. You were really a glorified ancillary or labourer when I first came on board ... (now) you’ve taken a step back as depot managers, and you’re very much more involved in managing the depot and worrying about the claims and the complaints and those sort of problems, as against the day-to-day operation of the depot.” (Depot Manager)

“The responsibility for the sorting of parcels and the route of the parcels through the network to the depots has become the responsibility of the guy who runs the warehousing operation. So he, like I, has got a responsibility to both Home Merchandise for warehousing activities, and to Carton Carrier for part of this operation. And that’s meant that there’s an opportunity to take advantage of the empathies (sic) (across the parcel delivery process).

We’ve sought to have far greater participation in that objective (consistent delivery of parcels, improved quality of service while achieving profitability) by delegating responsibility, ... we’ve actively sought again to develop our own people in such a way that they can grow with the new responsibility.” (Managing Director)

5.4.4 B. Interpretation and second order constructs

The supervisor’s role was to log drivers into and out of the depot. Each depot had about three supervisors, who worked on a shift system, one on the night shift and the other two on morning shift. As each depot also had between 50 - 70 drivers, a supervisor dealt with a large number of drivers. The drivers were not allocated to any one supervisor, and therefore dealt with different supervisors each day. The extent to which a supervisor managed and controlled such a large number of drivers was limited. Because supervisors had unclear responsibilities and accountabilities, they had little ownership of problems that arose due to incorrect or late deliveries. Customer complaints were either unresolved or else dealt with unsatisfactorily.

The supervisor position changed to that of the parcel delivery manager. The responsibilities attached to this position are deeper and broader in scope, content and structure than that of the supervisor. The parcel delivery manager is responsible for a team of drivers. They monitor drivers’ performance, arrange training for them, deal with disciplinary matters and coach and counsel drivers. The parcel delivery managers monitor claims made for non-delivery and perform delivery checks, i.e. go out on the road with drivers.

Depot managers barely managed the depot at all. They had hands-on, day-to-day operational responsibilities, and reacted to problems. Depot managers focussed internally and had little time for external customers. They dealt with operational issues from paying cash wages, to disciplinary matters, to

dealing with head office. However, depot managers were rarely involved in managerial issues such as improving the depot's financial performance, reducing customer complaints, or improving the depot's operations. They had little interaction with their counterparts in other depots, which meant that they rarely shared good practice or resolved common difficulties.

Depot managers became responsible for activities in the parcel delivery process that were within the depot operations function. They are responsible for ensuring their depot achieved agreed levels of customer service, i.e. parcels delivered in three days. They control activities in the parcel delivery process and take operational decisions that balance customer service with delivery costs. Depot managers have functional responsibilities in the sense that they are responsible to the regional general manager for their depot's profitability.

Directors previously were responsible for their function only and barely concerned themselves with problems faced by other functions. This changed to where directors are responsible for their function and the parcel delivery process. The warehouse, sort centre and trunking functions are the responsibility of a director in Home Merchandise; the depot operations function is the responsibility of a director in Carton Carrier. As these functional directors are on the boards of both organisations they are responsible for the parcel delivery process. The directors also sought to have people at all levels take responsibility for the function and parcel delivery process.

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| People, including directors, depot managers and parcel delivery managers in Carton Carrier took responsibility for their functional activities as well as the parcel delivery process. (CTO_SOC # 5.13) |
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5.4.5 A. Conjoining first order constructs

“Pre SMS, people were not assessed, it's fair to say. Management have an appraisal, if you were lucky, once a year, which would be - a depot manager would sit down a couple of days before there was supposed to be the appraisal, write down a few notes about you, then that would be it. And you'd sit down, you would discuss it. If you agreed with what he said, fine, if you didn't agree, then again, fine.” (Team Member)

“It was very much a case of the appraisal would be written out completely before the guy ever came into the room, and it would be a ten minute discussion, and he would be expected to sign the piece of paper. And that was it. That was his appraisal for the year. Not a lot of emphasis was ever put on appraisals prior to 1989/’90.

Some people, you can look back on their files, at that time, say they’d been here sort of ten year, and you’d probably be lucky if you found two appraisals on their file.” (Personnel Manager)

“We made no attempt to appraise the driving staff.” (Regional General Manager)

“I think (appraisals have changed) very substantially. The process had to be driven against the fundamental customer service requirements, consistent reliability of service. But that had to be done on a cost-effective basis.

We have progressively linked quality of service performance into our appraisal systems.

We tried desperately to supplement that quality of service information on the basis that we would like to appraise our managers against both the cost effectiveness of their operation, and the quality of the service they were producing.” (Managing Director)

“If (drivers) had any complaints, or achievements, percentage brought back, things like that, and they had to mark that off. They’d get a weekly sheet and have to mark it off daily like what you’ve brought back, how much you’ve done obviously. So drivers are assessed that way.” (Driver)

5.4.5 B. Interpretation and second order construct

People in GMR (Transport) were rarely appraised on an annual basis for the work they did. The organisation had an appraisal procedure for assistant depot managers, depot managers and regional general managers. However, an individual’s performance was rarely evaluated or discussed with them. Managers often completed the appraisal forms without necessarily discussing it with the individuals concerned, which meant that appraisals held little meaning for either party. However, Carton Carrier’s directors recognised that for the parcel delivery process to achieve improvements in service quality and consistent delivery times and be cost effective, people at all levels had to be appraised against the process’s criteria. Depot managers were appraised on the

efficiency of their depot. This changed as depot managers are appraised on the quality of service and profitability of their depot. Drivers' performance was not appraised in any way. Drivers are appraised on the basis of quality of service and quantity of parcels delivered.

People's appraisal criteria are linked to their functional activities and the results expected from the parcel delivery process. (CTO_SOC # 5.14)

5.4.6 A. Conjoining first order constructs

"We've introduced bonus schemes for as many managers as we felt we could actually accurately assess their contribution to the performance they were making in the business. So we have sought to enhance remuneration through that approach, but only where we felt that there was a clear opportunity to measure individual contribution. And that has taken a form of bonuses linked to, again, profit achievement and quality of service, etc. And there are now significant senior managers who are on that type of incentive scheme." (Managing Director)

"In a more general sense, depot managers now get a bonus based on their performance as do regional general managers. And this is a bonus which is based on profit, and service criteria the average senior manager of the company, stands to make an extra 15% of his salary if his performance in terms of profit and service is up to a defined standard." (Services Manager)

"Whereas before, you were paid just by the parcel. I think when I started here, it was 2p up to about 150 parcels, and it went up for however many parcels you'd done over 150 in the old days. Whereas now you're given a ten-hour figure and to earn ten hours money for that day, you've got to get that figure. So it's changed in that way." (Driver)

5.4.6 B. Interpretation and second order construct

Managers in Carton Carrier previously received a salary for performing the functional responsibilities or in the case of drivers a per-parcel payment. Directors recognised that this needed to change. Managers still receive a salary for their functional responsibilities, however, an aspect of their remuneration changed to where they earn a bonus for achieving agreed service and/or profitability levels of the parcel delivery process. For example, Carton Carrier

managers receive a salary based upon their functional responsibilities and a bonus linked to profit achievement and quality of service of the parcel delivery process. The board brought driver's pay and bonus scheme into line with the deliveries made in the ten-hour standard day. Drivers who delivered all the parcels allocated to them within the standard day were paid in full. Drivers who did not make all the deliveries were paid proportionately less based upon the number of undelivered parcels. On the other hand, the company paid drivers, who put in more than 42 hours per week, at the rate of time and a half, and for over 50 hours per week at the rate of double time.

The board accepted that people's remuneration, including regional general managers, depot managers, parcel delivery managers and drivers should be changed. (CTO_SOC # 5.15)

5.4.7 A. Conjoining first order constructs

"A complete and utter dictatorship. You had no input at all into anything that happened in the Depot. You were just told what to do. If you didn't do it, then basically your arse was kicked. As I'm a big man, not physically I might add, but I mean that was the sort of thing. And it was all 'You will do', 'You will do'.

The only time senior management used to come and see you was if you was in trouble, and it was for a bollocking session.

I think the senior management now are prepared to listen to us.

When we had meetings we'd go for lunch. And I know it's a small investment, but it was something that they'd never ever had before. You just didn't do things like that. The environment - the depot - we painted the floors, we cleaned the depot a lot better. We employed a cleaner ... We put flowers in boxes out there." (Depot Manager)

"The old culture, and this is very much a personal opinion, because certainly not everybody agrees with me on this one. The old culture, I've felt, was very dictatorial. They managed by frightening people, by threatening to sack them, by telling them what to do. The managers, the depot managers, I feel, had very little room for manoeuvre as far as what they felt was right for their depot. And it was very much wagging the old finger 'You will do what you're bloody well told, and if you don't, there's the gate'. To me, that was the culture of managing by fear." (Personnel Manager)

“But recognising that, at the end of the day, that our performance as a business resides fundamentally with the people in the business who have contact with the external customers. Because whatever else we do in terms of systems or price competitiveness and so on, our performance dictates around how well the last person in the process actually does the job. And in our case, that’s usually the delivery drivers, but it can also include those people who come into contact with customers either at depot level or over the telephone. So we’ve tried to install within the organisation a feeling of ownership of the business ... so what we’ve tried to do is to recognise the strengths and weaknesses of the organisation. The people who are key to the success of the business are the people on the ground. They have tremendous skills and knowledge which are often difficult to actually tap into or appreciate, so they have to be operating on our behalf and on a trust basis.” (Managing Director)

“When you’ve got a hundred and eleven drivers, they’re going to have personal problems, they’re going to have home life problems, they’re going to have all sorts of problems. And all they really need to do is sit down and talk to someone for five minutes, and that problem has actually gone out of the window. They need somebody to know that someone’s out there listening to them, and that I firmly believe, is quite a large part of my managers’ jobs, and it’s certainly a large part of my role is to let people know that I am there, my door is open, that they can come in, they can sit down, they can talk to me, and they can talk to me on a very easy basis. I’m not ‘Mr’, my name is Steve. They come in and they talk to me and it’s ‘Steve’, and ‘John’, for the want of a better word, or for the want of a better name, and you have to be ... you have to do this for it on the individual basis especially with a large concern ... ‘I’ve become more conscious of looking after drivers, ... counselling drivers, rather than ‘Can’t do the job, get out the door’. Now I ask ‘why can’t you do the job? What can we do to help you do the job?’” (Assistant Depot Manager)

5.4.7 B. Interpretation and second order construct

The ways in which people behaved towards one another has changed. Previously, head office personnel told depot managers what to do and they were expected to comply with few, if any, questions. Depot managers told their staff what to do and so it cascaded down through each level, in the structure, to the drivers. The impression is that the threat of physical violence, bullying and aggressive threatening behaviour was acceptable. People managed by using fear and the threat of getting sacked. The crisis in the Malham depot provides an example of the poor relationship between Carton Carrier’s head office and depot

staff. The crisis at Malham depot namely, the backlog of 82,000 parcels built up over several weeks, yet neither head office nor the depot took action to deal with it until a crisis ensued. Directors and line managers changed their own behaviours as they began to consider people at the lower echelons of the organisation as being important to its future success. Directors and line managers became more willing to listen rather than managing by fear. The directors' willingness to listen cascaded down and influenced line managers' behaviours. PDM's and assistant managers now attempt to find out difficulties faced by drivers and others, and attempt to resolve these problems. Depot managers are much less aggressive. To have 'hairy arsed depot managers' talking about the importance of having flower arrangements in the entrance to the depot would have been unheard of previously.

People, including board members, regional general managers, depot managers, assistant depot managers, parcel delivery managers and drivers, changed their behaviours towards one another where they are less threatening and recognise people at all levels contribute to the business. (CTO_SOC # 5.16)

5.4.8 A. Conjoining first order constructs

“GMR (Transport), in the old days, would buy a computer that it could afford, and get away with buying. And it was therefore something that was not man enough to do the job, because it seemed to be competitive with Home Merchandise's mainframes.” (Services Manager)

“(Systems have changed) very dramatically. I think we've sought to take maximum advantage from information systems. I have to say that, going back to 1989, the information systems were very crude in our terms. That's not to be disparaging about it, but they met the requirements of the business needs at that particular time. Our business needs have grown, as I've described, therefore we've sought to utilise information technology to as high a level as we possibly can. But against a background of not introducing technology for technology's sake, but simply to say that where there are advantages for either the customer service or the cost point of view.

I think with all the systems development we've been involved in, we've sought to develop it from our core delivery process.” (Managing Director)

“We now have a system which records every individual parcel as it goes through the (process). As the parcel is automatically sorted at the Sorter, the information that it is now on its way to us is collated into a manifest for the depot, and when that trailer comes to the depot, the Sort Manager just presses a few keys and all the information about every parcel, including name and address and so on is automatically downloaded to the system. So the depot gets a massive information about the parcels. The parcels are tracked all the way through the depot, whenever they go, they come back in with a driver. When a driver goes out, the parcels he’s supposed to be taking are assumed to go out with him. So we generate hundreds of tracks about each parcel, which are all then sent to a mainframe in Manchester which everybody can enquire on the customer services, the hot line agency, the Home Merchandise and so on. We can enquire on it.” (IT Co-ordinator)

“And as far as computerisation, virtually everything now has changed in that respect. We’ve got computers for everything. The information available to us now is much much greater.” (Depot Manager)

“Everybody’s got a computer really. Everything that anybody does has reference to the computer one way or another, either by use of a little hand held computer; some of the motor things like checking the number of parcels on a particular round which we run occasionally. And most of the depot tasks such as taking parcels from the driver when they’re not for him, if they’ve been mis-sorted for instance, or if there’s a particular problem with booking parcels to a driver, checking that driver out, checking the driver in when he returns, sorting the parcels, all the wages, all the personnel files, everything’s held on computer now, which allows us a great deal of scope, and gives people a great deal of information. So that’s has changed very dramatically.” (IT Co-ordinator)

5.4.8 B. Interpretation and second order constructs

GMR (Transport) had full control over its computer resources. It specified, designed and developed IT systems needed to support its activities. It took decisions about the choice of systems independently of Home Merchandise, which resulted in GMR (Transport)’s systems competing with rather than complementing Home Merchandise’s systems. This led to inefficiencies, duplications and errors. Previous systems supported individual activities with little co-ordination across the activities. GMR (Transport) had a much smaller budget than Home Merchandise to spend on IT systems. GMR (Transport)’s directors based system development decisions upon the amount it could afford,

which resulted in financial pressures rather than business requirements driving IT development decisions. Consequently, IT systems were crude and inadequate and barely supported the business.

Board members wanted to use IT in innovative ways to support customer service or increase efficiency. They recognised that the systems needed to be developed to support the parcel delivery process, so that a parcel could be tracked all the way through the process. The system needed to treat each parcel as unique to identify it as it passed from one activity to another. The new computer systems integrated activities across the parcel delivery process.

Carton Carrier's new information systems track parcels across the parcel delivery process. (CTO_SOC# 5.17).

5.4.9 A. Conjoining first order constructs

“In 1989 the way the product was controlled within the GMR (Transport) network was fundamentally a volume driven control. If a delivery van generated 200 parcels and 200 were delivered, then the van would be controlled.” (Managing Director)

“There was nothing to indicate what was, to use a well worn Carton Carrier phrase, ‘What was a good day’s work’. There was a figure bandied round at around 200 deliveries a day. But when I joined, and I asked the question, ‘Well why is it 200?’, no-one could ever tell me. It’s just ‘Well it’s 200’.” (Personnel Manager)

“Whereas before, the only measure that I can remember that you (depot managers) were judged on, was how many parcels you had left in the depot after checkout that day. And it didn’t really matter whether those parcels were three or six months old, as long as you didn’t have above a certain amount of parcels. It was - if you had more than ten per cent left, then you were probably in for kak from the bosses, but if you had less than ten per cent, you weren’t, and all sorts of tricks were played to get rid of that ten per cent.” (Depot Manager)

“The drivers just gave the managers a total count of how many parcels they’d delivered, they’d taken out which isn’t a representative figure of the amount of work they’re going to do, because some drivers had a long way to go, they had country areas to deliver, and others had compact areas nearby, so two hundred parcels for one driver might be an easy day, and might be an incredibly difficult for another.

Classically, what would happen is that the van would have a carry-over of 100 parcels: 200 parcels would come in and the driver may deliver 100 returning 100 to the depot. The assumption would be the carry-over in the depot was therefore half a day, 100 out of 200 delivered. Simple assumption, but of course if you take an average rather than actual, then within the 100, some could be one day old, but some could be potentially seven to ten days old.” (Managing Director)

5.4.9 B. Interpretation and second order construct

GMR (Transport)’s delivery operation was based upon volume, that is the number of parcels delivered per driver each day. The organisation assumed that each driver should deliver about 200 parcels per day. The reasons underpinning this assumption are unclear. Yet depot budgets, the numbers of drivers, driver’s wages, the length of a working day, and other depot operations were governed by this operational assumption. Depot management and staff performances were judged upon whether or not each driver delivered his 200 parcels. Drivers chose which parcels were delivered, and managers accepted drivers returning to the depot with undelivered parcels. Depot line managers and drivers assumed that the carry-over of parcels were acceptable, and did not realise that this assumption resulted in parcels being left in the depot for weeks and sometimes months.

The board and senior managers accepted that these operational assumptions were incompatible with increasing service levels to customers. The operational assumptions of 200 parcels per day and the carry-over of undelivered parcels were questioned and removed. Instead, the requirement to meet customers’ expectations of short delivery times and consistent delivery periods took priority.

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| Directors accepted that existing operational assumptions were flawed and incompatible with the parcel delivery process. (CTO_SOC# 5.18) |
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5.4.10 A. Conjoining first order constructs

“GMR (Transport) was more autonomous in the past, and would therefore be by the nature of that structure, less sympathetic towards Home Shopping, more sort of parochial.” (Managing Director)

“The GMR (Transport) directors were physically separate for a start. They were in Worcester compared to Manchester. But they held quite a remarkable degree of autonomy.” (Regional General Manager)

“GMR (Transport) board of directors who were very closely knit and they wanted to keep Home Merchandise at arm’s length, for their own personal reasons I think, because they liked the power. They knew that when they got closer to Home Shopping, they would lose a lot of the power they had as individuals.” (Services Manager)

5.4.10 B. Interpretation and second order construct

GMR (Transport) had its own board of directors and they had a high degree of autonomy. GMR (Transport)’s head office was in Worcester whereas the Home Merchandise board was in Manchester. This physical separation reinforced a parochial and distant relationship between the two organisations and their operations. Home Merchandise’s board sought to align the two organisations’ operations. GMR (Transport)’s directors realised that this would lead to a loss of their power. Consequently, GMR (Transport)’s directors wanted to maintain their autonomy and keep Home Merchandise at arm’s length.

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| GMR (Transport)’s board did not accept that the organisation’s autonomy needed to be reduced. (CTO_SOC # 5.19) |
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5.4.11 A. Conjoining first order constructs

“(GMR (Transport)’s joint managing director) said to me ‘we don’t want the depot managers distracted by finance. We just want him to manage the operation and ensure productivity is right!’” (Regional General Manager)

“GMR (Transport)’s board of directors’ ... philosophy was such that depot managers didn’t need to understand what profit they were making.” (Implementation Services Manager)

“Nobody really took any interest at all about management accounts that we got out, and when I first went into the company as a manager of a transport, we used to get the accounts sent out to us every month and nobody ever looked at them. We’d just throw them aside and that was the end of it.” (Depot Manager)

“(Depot managers) had no idea whether they were making money, whether they were losing money, how much their drivers were costing, how much their claims were costing them. They didn’t have any idea because the information was never sent to them... so from the budgeting and accounting point of view, again a lot of them (depot managers) had to start from scratch ... six years ago if you threw a set of accounts at them they wouldn’t have a clue, and that’s from a depot manager’s point of view.” (Personnel Manager)

5.4.11 B. Interpretation and second order construct

The GMR (Transport) board let depot line managers have little, if any, useful information about the depots financial and operational performance. Information was withheld consciously by GMR (Transport)’s board, on the basis that they did not want depot managers to be isolated by financial aspects of the depot. Hence, depot managers were unaware of their depot’s profit or loss position. Depot managers usually disregarded financial information sent from head office. They took little interest in their depot’s budgets, as few managers had financial skills. The directors of GMR (Transport) had a deep-rooted belief that depot managers did not need to have information about the depot’s financial situation.

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| <p>GMR (Transport)’s directors assumed that they could continue to provide line managers with inaccurate financial information or even withhold information. (CTO_SOC # 5.20)</p> |
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5.4.12 A. Conjoining first order constructs

“I suppose six years ago, a depot manager and his entire team would not have known what profit that depot was generating, and didn’t know what its costs were in real terms. It wouldn’t know what revenue it was receiving, therefore it wouldn’t know what profit there was. All of that’s changed and we’ve sought to bring all managers including parcel delivery managers into that debate. So that if they understand the business they can contribute to it.” (Managing Director)

“Six years ago, a depot manager didn’t know what profit his depot was making. And if he was told, those figures were doctored before they got to him. So certainly a chunk of money was creamed off, so that some depot managers must have thought they were making a loss.” (Services Manager)

“They (depot managers) know exactly how much their fuel’s costing them, their insurance, their vehicles, their drivers, their claims, their sub-contractors, they know everything. And they get a full set of accounts, and they understand them now.” (Personnel Manager)

5.4.12 B. Interpretation and second order construct

Whereas the directors of GMR (Transport) did not provide depot line managers with information necessary for them to manage the depot, the new managing director and board accepted depot line managers should have this information. The new managing director and board wanted this to change so that the depot line managers contributed to the improvement of the parcel delivery process. These directors recognised the information needed to be in a form that line managers could use to manage their depot. The information also had to be detailed and accurate.

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| Carton Carrier’s directors accepted that the withholding of information from or providing incorrect information to line managers actually needed to be reversed so that they had detailed and accurate information. (CTO_SOC # 5.21) |
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5.4.13 A. Conjoining first order constructs

“And now, the first thing you ever write when you’re writing an appraisal of the depot manager is to say that he is responsible for the profitable operation of his unit ... So a broadening of responsibility and I think a more onerous duty if you like, on the depot managers. We tend to regard the success or failure of a depot far more as a reflection of the depot manager than we used to ten years ago.

I mean, we give them no end of information on how the depot is performing ... We tend to give a lot of information, a lot of which can be argued against, it’s suspect.” (Regional General Manager)

“And in fairness a lot of the criteria that we (are) measured against, we had no control over. We can’t control the profitability of the depots because the profitability’s governed by what comes in to us, what our sales are basically, and we are told as managers, what that is going to be twelve months in advance. If it doesn’t achieve that, then your costs go out of the window. Against a fixed budget, they don’t reduce, but against the profitability of the company they do, because you’re governed purely and simply by sales ... The only thing I would say that you know, they do still, I believe, on appraisals, judge you on things that you have no control over. And, like I said, I come back to sales. I can’t do anything about sales. The system, the culture, the company doesn’t allow me to go out and sell the product. So the product doesn’t come into me. My fixed costs are out of my control as are the profits, and I think most managers that you talk to would feel that that is unfair. You are judged on that sort of criteria.

We’re not judged as depots on what we actually do, but we’re judged as depots on what we’re perceived to be doing because the information is created by the offices at Manchester, and it’s their perception of what we do as against what we’re actually doing. Now I know that there is fixes being put in to try and rectify that, but at the moment depot management feel that it’s unfair, the way we’re judged to be truthful.” (Depot Manager)

5.4.13 B. Interpretation and second order construct

Depot managers were previously not responsible for the profitability of their depot. This changed to where their responsibility for the depot profits is one of the key criteria they are appraised against. Yet, depot managers have little control over profits, as the depot’s revenue is dependent upon the number of parcels routed through them, which in turn depends on customers orders received by Home Merchandise. Depot managers are prevented from going

directly to the marketplace to generate business. They also have little control over their depot's fixed costs. They have some control over variable costs such as fuel and the use of contract drivers during busy periods. However, variable costs are a small element of the overall depot profitability calculation.

Carton Carrier's board considers the depot's performance to be a reflection of the depot manager. The board forms their opinion on the basis of incorrect information. Senior managers admit that the quality of depot performance information is suspect, and that depot managers' performance are judged on the basis of this suspect information. Depot managers feel it is unfair that the organisation holds them responsible for depot profitability. Nonetheless depot managers were willing to accept the change which made them responsible for depot profitability.

Depot managers were willing to take on responsibility for their depot's profitability even though they had little control over the constituent elements, i.e. income and fixed costs. (CTO_SOC # 5.22)

5.4.14 A. Conjoining first order constructs

“The major difference would be that in 1989, there were seven regions I believe, and we've reduced that to three regions. So we haven't delayed the management structure, we've actually just expanded the responsibility, while reducing the numbers of regions and regional managers. The other changes that we've brought about is, within each of the regions of which we've now got three, we have decentralised the functions from the true centre down to the general managers of each region. So you've got a Regional Personnel Manager, Regional Financial Information Manager, and a Regional Distribution Planner who looks after the round configuration. So again that was part of the migration from a Head Office autocracy to putting more of a local emphasis and feel to it.” (Managing Director)

“An additional level has gone in, and then clearly who didn't exist, like (the personnel manager) well she existed but not in this company. (The personnel manager) and her colleagues now report to me and then they have their dotted line reporting to their various functional people.” (Regional General Manager)

“I report to the regional general manager. That’s my solid reporting line, and my dotted line, if you like, has always been off to the Personnel Manager or the Director whoever it was at the time.” (Personnel Manager)

5.4.14 B. Interpretation and second order construct

The organisation had seven regional general managers, and reduced the number of regions to three. A new functional structure was introduced to assist the regional general managers. Support functions, such as human resources, finance, and distribution planning that resided centrally in Carton Carrier’s head office were devolved to each region. The functional roles at each regional level are new, as there were no equivalent roles in GMR (Transport). The managers of these functions report primarily to the regional general manager, and have a dotted reporting line to their functional director at Carton Carrier’s head office. The regional functional managers are responsible for the depots in their region. These changes have brought greater local control over the specialist functions into the hands of regional general managers.

Carton Carrier reduced the number of regions and created regional functions to support the activities in the parcel delivery process. (CTO_SOC # 5.23)

5.4.15 A. Conjoining first order constructs

“They used to have GMR (Transport)’s operations managed by seven regional managers ... now I have the three regional general managers, two of them are now associate directors.” (Managing Director)

“My two regional general manager colleagues are both in fact, associate directors of the company, because they’ve been around a lot more years than I have.” (Regional General Manager)

“Regional general managers are also associate directors and again they are the manager of customer services, as associate directors.” (IT Co-ordinator)

5.4.15 B. Interpretation and second order construct

As a result of the consolidation in the number of regions, four regional general managers left the organisation. Of the remaining three, two were appointed as associated directors. These regional general managers have greater control over the parcel delivery process, as they are responsible for profitability and customer satisfaction in their region. People at board level were also affected by the changes. This is evidence by directors leaving the organisation and new directors being appointed to the board.

Board members and regional general managers were affected by the changes.
(CTO_SOC # 5.24)

E3_5.5 Issues managed

5.5.1 A and 5.5.1 B are located in the body of Chapter 5.

5.5.2 A. Conjoining first order constructs

“Certainly, one got the impression that there was a power struggle at the top. One (the chairman) won and the other two left the company. So certainly we’re much more focused in one direction now.” (Team Member)

“Part of the way through that process, I took a change in responsibilities. I became operationally responsible for one half of the country, whilst the previous Head of Operations was confined to the other half of the country.

We (the chairman and services director) then, after a period of about twelve months, went back and gave the operation back to the Head of Operations and I (services director) returned back to managing the Service side of the business.” (Managing Director)

5.5.2 B. Interpretation and second order construct

GMR (Transport) had its own managing directors, board and organisation structure. The board had three major personalities on it: the chairman and the two joint managing directors. The joint managing directors and the chairman had different views of the organisation's future. The joint managing directors wanted to maintain GMR (Transport)'s autonomy, whereas the chairman wanted to align the operations of Home Merchandise and GMR (Transport). The joint managing directors attempted to maintain their position but the chairman's view prevailed. The chairman split managerial and operational control over the depots in two: those in the north of the country and those in the south. The existing joint managing director responsible for operations continued to control depots in the northern half of the country. The services director took control of depots in the southern half of the country. This was the first time the organisation had been split in such a way.

Chairman won the power struggle against the existing joint managing directors, divided the depots into two groups and assigned operational control to different directors. (IM_SOC # 5.26)

5.5.3 A. Conjoining first order constructs

“That meant that I could take direct control of the whole of (the southern) half of the country in terms of system change and day-to-day operations, to demonstrate how the two could be fused together to produce the desired end results. And that was successful. It helped to speed up the integration (of systems and the) delivery process. (The Malham) depot had a worse than average track record in terms of performance, and therefore the view was that if you could make that depot work, and function well, then when it came to migration to the other 35 depots, you would have already encountered the worst problems. And so, rather than pick on a soft target, pick on a hard target. That way you got the maximum opportunity to see all the problems and feel more comfortable.” (Managing Director)

“A lot of money was spent on this (Malham) depot to get it right because it was the model depot.” (Depot Manager)

5.5.3 B. Interpretation and second order construct

The service director was made responsible for proving the parcel delivery process could work in the depots located in the southern half of the country. He had to demonstrate that the parcel delivery process and system could be implemented together and produce benefits to the business. He proved that the parcel delivery process worked successfully in practice. He chose the Malham depot as the first to be redesigned because it faced a major crisis in terms of undelivered parcels and its performance had to be improved quickly. He wanted to prove the parcel delivery process and systems would work in a difficult depot and in this way, build up a degree of confidence and bring major difficulties and obstacles to the surface.

The services director was given managerial and operational control over depots in the southern part of the country to prove that the parcel delivery process and systems could be implemented successfully. (IM_SOC # 5.27)

5.5.4 A Conjoining first order constructs

“He (the GMR (Transport) joint managing director) moved off to another company.” (Team Member)

“(After the joint managing directors left Carton Carrier) I then took control for the rest of the operation. I control all the Depot Operations. It becomes easier then, in terms of establishing a culture and a style in the business, because it’s all coming forward.

I think we had one board member leave, sorry we had two board members leave. One right back in the early days, which could well have been as a result of the different style of management. I was not involved in that process. It was right at the very outset, and I think there was a view that maybe his management style didn’t suit the direction we were going to take. And we’ve had one director leave to set up business on his own ... And then we obviously upset the guy who was running operations at the time, because he was the one who then left to start his own business.” (Managing Director)

5.5.4 B. Interpretation and second order construct

GMR (Transport)'s joint managing director's left the organisation. They did not agree with the direction the organisation was planning to take, namely to become more closely aligned to Home Merchandise. Once they left the chairman appointed the services director as managing director of Carton Carrier. He took control over the depot operations for all of Carton Carrier's depots. He was then in a position to introduce the changes to parcel delivery process. He controlled the budgetary aspects of the change and was able to invest significant sums to get the first depot working effectively.

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| Existing joint managing directors left the organisation and a new managing director was appointed. (IM_SOC # 5.28) |
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5.5.5 A. Conjoining first order constructs

“And so he (the chairman) came to see me and said ‘Why did I think it had gone under’, and I said ‘GMR (Transport) head office have taken away all our flexibility’. As depot managers, you did have a bit of flexibility, you could duck and dive a little bit, and sort of get parcels out this way, that way and the other. But then head office brought in certain rigid rules and you couldn't do anything. You just had to do exactly what they told you. And one of the rigid rules were that we had to deliver ‘next day parcels’, i.e. TNT, without fail on that day. And because of the structure of TNT in those days, every single parcel that came to this depot on that day was a ‘time critical’ parcel. It isn't any more. We can get ‘time critical’ parcels that are - well we can get parcels coming from TNT that are two days and three days old, or three day deliveries. So we've got flexibility, we never had in those days. Every parcel that came into us was ‘time critical’.

I said to him (Group chairman) ‘You've taken away our flexibility’ and he said ‘Why?’, and I said, ‘Well because of TNT’, and he said ‘Well we're not going to do it any more’. And I nearly fell off my chair. Because it had altered. There was the Chairman of the company telling me that we're not going to do what I've been told by the managing directors that ‘you will do’. And his view was higher than the managing directors, so I believed him.” (Depot Manager)

5.5.5 B. Interpretation and second order construct

The chairman went personally to Malham depot to discover the reasons behind the crisis namely, 82,000 undelivered parcels in the depot and 27 fully laden trailers lining the road outside the depot. The chairman asked the depot manager for his analysis. The depot manager explained that rigid operational rules, imposed by GMR (Transport) head office, were the main cause of the backlog of undelivered parcels.

The chairman bypassed GMR (Transport)'s board and issued instructions which countermanded operational rules imposed by them. His actions signalled that he was willing to be involved directly in depot operations. GMR (Transport)'s board operated with a great deal of autonomy. The chairman's intervention challenged GMR (Transport)'s autonomy, and in effect questioned the degree of control exercised by the joint managing director who was responsible for operations.

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| The chairman was willing to understand the reasons for the crisis and be involved directly to resolve the crisis. (IM_SOC # 5.29) |
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5.5.6 A. Conjoining first order constructs

“It's more centralised on one person now. If you put the directors into three piles. The one pile would be enormous (in terms of the numbers of directors), the second pile would be probably be Tim Lot (Carton Carrier's managing director) and (the commercial director) and (the warehouse director), and the other pile would be just Alex Hammond (the chairman) on his own.” (Services Manager)

“About five years ago, around 1989, Alex Hammond became the chairman of the Home Merchandise, and he brought with him some directors, and (the commercial director), and one of them - (the warehouse director) another, Carton Carrier's managing director is another ... the power base seemed to go to (them) then.” (Depot Manager)

5.5.6 B. Interpretation and second order construct

Towards the end of 1989, a new chairman was appointed to Carton Carrier. Within eighteen months he replaced many GMR (Transport) board members with people from Home Merchandise's board. The chairman, Carton Carrier's managing director, and a small number of directors took control of the organisation. They formed a powerful alliance and consolidated their position in the organisation.

The chairman and key directors consolidated their position in the organisation.
(IM_SOC # 5.30)

5.5.7 A. Conjoining first order constructs

"There's real decision taking now in regions compared to what there used to be ... there is no doubt about it, that compared to when I was a Regional Manager in '86, compared to since I've been a Regional Manager in '94, there is much more power down as far as regional level. The team of eight or nine people in the regions wield very considerable amounts of power, if only on a day-to-day basis." (Regional General Manager)

"Regional Managers are also associate directors and again they are the manager of customer services, as associate directors." (Team Member)

"I think the Regional Manager's status has improved dramatically. I think two of them are now associate directors. Well, they are, two of them are associate directors. So that has changed. They've become much higher levels of status within the company." (Depot Manager)

5.5.7 B. Interpretation and second order construct

Regional general managers and regional functional managers gained greater operational control, status and power over the parcel delivery process. They take most of the day-to-day decisions that affect the operations of their region.

Board devolved operational control of the parcel delivery process to regional general managers and the regional functional managers. (IM_SOC # 5.31)

5.5.8 A. Conjoining first order constructs

“We’ve sought to have far greater participation in that objective (service quality and profitability), by gradually delegating responsibility, increasing accountability through the structure, and we’ve had to do that from the top down point of view ... people are accountable for performance, each tier within the management structure has to be able to take on board that accountability and then obviously influence the results they’ve achieved.” (Managing Director)

“Every month now, we are measured on what we’ve achieved; whether we’ve made our budget, whether we haven’t, whether our costs have increased.” (Depot Manager)

5.5.8 B. Interpretation and second order construct

The board wanted people at all levels to participate in the fulfilment of the business objectives of customer service and profitability. They wanted people to be accountable, and therefore began measuring their performance in terms of customer service and profitability. They expanded and clarified regional general managers’ responsibilities to include profitability and service levels achieved by depots in their region. Depot managers and assistant depot managers, in turn, were made responsible for depot profitability and service levels to customers of their depot. This was a significant increase in depot line managers’ primary responsibilities.

Responsibility for profitability and service quality cascaded from directors to regional general managers to depot managers to assistant depot managers and parcel delivery managers. (IM_SOC # 5.32)

5.5.9 A. Conjoining first order constructs

“Where once a month, the (depot) manager will meet with either his immediate superiors or someone up the chain, and will really then analyse in detail the performance financially, and terms of quality of service of the depot, and talk about any other issues that need raising. And again, that’s perhaps happened in the last five or six years.” (Services Manager)

“The regional general manager is very much his own boss, responsible for all the financial performance, the financial figures. But prior to 1988, they were filtered down to depot level, were virtually meaningless. The depot managers are now called very much to account for their own financial performance, and have become very good at it; in terms of the service performance, we are sharpening that up, but they are held responsible for that as well.” (Regional General Manager)

“They (depot managers) didn’t have any idea, because the information was never sent to them. So regional general managers embarked on this process of Cost and Performance meetings. So from the budgetary and accounting point of view, again a lot of depot managers had to start from scratch. Some of them had been doing their own sort of accounting system, so they knew roughly whether they were making any money or not, but others just wouldn’t have a clue really. All they would know was whether or not they had any parcels in the depot and that was it. And that has now been developed to an nth degree, if you like. They know exactly how much their fuel’s costing them, their insurance, their vehicles, their drivers, their claims, their sub-contractors, they know everything. And depot managers get a full set of accounts, and they understand them now ... they’re not just sort of depot managers any more, because the assistant managers basically run the show on a day-to-day basis.” (Personnel Manager)

5.5.9 B. Interpretation and second order construct

Regional general managers became more open and willing to share depot performance and financial information. They had budgetary responsibilities devolved to them, and they in turn, devolved these to depot managers and assistant depot managers. Regional general managers explained the new budgetary procedures to depot line managers so that they could take ownership of these. Regional general managers explained to depot line managers the financial and service performance targets to be achieved by their depot. Depot managers were provided with detailed budgetary information, e.g. full sets of

depot accounts and a breakdown of their costs. Regional general managers also monitored depot performance through monthly cost and performance meetings. The purpose of these meetings was to analyse, in detail, the depots financial and service quality performance and to discuss other managerial issues that needed to be resolved.

Regional general managers devolved responsibility for budgets to and shared financial information with line managers. (IM_SOC # 5.33)

5.5.10 A. Conjoining first order constructs

“A good example is, when all the managers in one region would sit round the table and they’d all share their experiences and discuss the cost and performance of their depots. That didn’t happen before. They probably rarely saw their neighbouring depot managers.” (Services Manager)

“And they have regular personnel meetings. They have, if you like, a dotted line responsibility into Jim Plant in the personnel department. And they are every two months or so, personnel meetings which they go to, work study and yes, finance, but not quite to the same degree with finance. They have regular meetings as well across the three regions.” (Regional General Manager)

5.5.10 B. Interpretation and second order construct

Functional experts and depot line managers in one depot or region met their counterparts in other depots and regions to share operational experiences and to discuss their depot’s performance. For example, the personnel managers from the three regions meet regularly. Line managers hold meetings to exchange structured information with people in the parcel delivery process, e.g. depot managers meet their line manager and other depot managers.

People, from function and line management positions, in different regions and depots met each other to share information. (IM_SOC # 5.34)

5.5.11 A. Conjoining first order constructs

“But initially the financial information needed to be (a) more comprehensive, and (b) more accessible, ... so we put a lot of time and effort into training our managers to understand costs, running in profit, and controlling the financial side of the business.” (Managing Director)

“This was like a Head Office rule. And you could never tell a depot manager what his profit was. Now you can.” (Services Manager)

“In fact, if I can remember that far back, the information we received about our profitability as a depot was very very limited.” (Depot Manager)

“The depot managers had no idea whether they were making money, whether they were losing money, how much their drivers were costing them, how much their claims costing them.” (Personnel Manager)

5.5.11 B. Interpretation and second order construct

The chairman and key directors recognised that people at all levels of the parcel delivery process needed access to financial and performance information that related to the parcel delivery process. By giving people in the depots information they began to understand the effects of their actions upon the business, so that they better managed their activity within the process. Other board members supported a more open attitude to sharing process-related financial and performance information. Board members accepted that they would discuss a depot’s ‘real’ financial situation with the regional general managers and depot manager. The quality of financial information provided to people in the parcel delivery process was improved substantially. It was also made more accessible and comprehensible for depot line managers. Financial figures were no longer doctored by head office, for example, income figures were reported accurately and costs allocated by head office were made transparent. Depot line managers could begin to rely on the financial performance statistics they received.

Board and regional general managers accepted that the quality, accessibility, and reliability of process-related information would be improved. (IM_SOC # 5.35)

5.5.12 A. Conjoining first order constructs

“We (depot managers) went through a great learning curve with the accounts. Fortunately for me, I did a course on accountancy, so it helped when I went to business college when I came out of the police force. So I knew a bit about accountancy. But a lot of the blokes, in all fairness, haven’t really got a great perception, and whilst we haven’t got to be accountants, we do know where the money goes and where it doesn’t now. So a lot of that training’s going on. I think when they implement things now, the depots, they do consider that we’ve got to be trained, up front training.” (Depot Manager)

“Learning how to understand cost and performance; that was a big change. When the managers discussed the performance, the depots in terms of profit, it tends not to be in the same way that an accountant would, but they certainly realise the effect of revenue, various costs, and overheads ... we had a management course actually, which was... I forget what it was called ...but the theme of the course was ‘How to communicate with accountants’. And that course was partly explaining about GMR, and the way it accounted for things, and also just teaching technical issues like ratio analysis, profit and loss, and things like that.” (Services Manager)

5.5.12 B. Interpretation and second order construct

Training specialists in the training department developed a programme to teach depot managers the financial aspects of managing their depot, e.g. budgeting, accounting skills, and financial analysis techniques such as ration analysis. This training was provided concurrently with making financial information available. Depot managers faced a steep learning curve because few had received formal training previously or had any financial related training.

Depot and assistant depot managers were trained to understand financial accounts and budgets, and were willing to learn about managing depot finances. (IM_SOC # 5.36)

5.5.13 A. Conjoining first order constructs

“(Home Merchandise) people started to question the whole package that was being offered to (their) customers who clearly, within that market research, indicated that there was a degree of dissatisfaction for customers with worries about the length of time it took to deliver parcels. And may be more critically, the inconsistency in that time between placement of order and receipt of goods ... The consistency of delivery time, whilst next day delivery would have been ideal, most customers were satisfied with delivery being within the week. As long as that was on a consistent basis ... The processing of the order, the sanctioning, the production of the despatch note, the sending of the order, are all earlier stages of that process which themselves would be subject to delays and inconsistency. And so the group, conscious of that, decided to seek those measurings (sic) of different elements of it.” (Managing Director)

5.5.13 B. Interpretation and second order construct

Home Merchandise carried out market research to identify customers’ expectations of its service. The research highlighted that customers were unhappy with the length of time taken to receive goods once they had placed an order with Home Merchandise. In addition to the total length of time, customers were also unhappy with delivery consistency. Findings from the market research led the chairman and directors to question the service levels offered by Home Merchandise and Carton Carrier. Home Merchandise measured each activity performed by Home Merchandise and Carton Carrier. Home Merchandise’s activities included taking orders from individual customers, assembling orders, packing each parcel in the order, handling customer billing, and sending packaged parcels to Carton Carrier. The activities undertaken by Carton Carrier included activities such as sorting, delivering, recording delivery details and tracking parcels.

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| Directors undertook a customer survey from which they identified that customers were dissatisfied with the service and that they wanted consistent delivery periods within an overall delivery time of a week. (IM_SOC # 5.37) |
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5.5.14 A. Conjoining first order constructs

“We put a team of people into this particular depot and members of the board gave this team of people who were assembled a variety of backgrounds, the task of finding ways of actually bringing about this control.” (Managing Director)

“We had this, as I called them ‘the magnificent seven’, which was seven managers from services area, work study, and head office. (The Services Manager) was one of them, who came here, they were here for three months and we went through every aspect of the company.” (Depot Manager)

“So when we started SMS six years ago, seven of us from services, systems and work study were thrown together and told to find a way of controlling the delivery process.” (Services Manager)

5.5.14 B. Interpretation and second order construct

Carton Carrier created a cross-functional team with responsibility for designing the parcel delivery process. This team reported to the services director, who controlled the depots in the southern half of the country. The cross functional team included people from the services function, work study, depot operations, and systems areas, and was led by a person from the services function. The chairman and the services director gave the team a mandate to find ways of controlling delivery consistency across the parcel delivery process. This mandate placed the customer’s expectation of consistent delivery times at the centre of the redesign, and it created a space within which the team could question existing assumptions within the organisation.

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| <p>Carton Carrier’s board set up a cross functional team, led by a person from the service function, with a mandate to design the parcel delivery process. (IM_SOC # 5.38)</p> |
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5.5.15 A. Conjoining first order constructs

“(The cross functional team) were able to come up with a process which, in principle terms satisfied the requirements we were looking for from a service point of view and, from a control point of view. That was simply to break every delivery round into delivery sectors, on average 10-12 sectors per round.” (Managing Director)

“(Drivers might deliver) forty parcels to farms in the middle of Scotland or it could be two hundred and forty parcels to a housing estate in Manchester.” (Services Manager)

“The fundamental change, SMS for example. A driver is taking out a number of ten standard hours worth of parcels. In that process we’re making sure he comprehensively does the geographical area. Now the driver previously, could say, ‘I’ll take that parcel, that one and that one’, and select 180 that he felt like doing that day. We took that control away from the driver and through the SMS system given it to the manager. So the manager says ‘This is where I want you to go’. And I think that’s such a fundamental change. That wasn’t just tinkering. That was saying to the drivers ‘Look you have decided what you were going to do long enough. We’re now going to decide, in the interest of the company, what you should be doing’.” (Services Manager)

5.5.16 B. Interpretation and second order construct

The cross functional team designed the parcel delivery process to ensure customers received their parcel in a consistent delivery period and managers gained control over the parcel delivery process. The parcel delivery process required drivers to deliver parcels for ten standard hours per day within a sector. All parcels for a sector had to be delivered prior to the driver returning to the depot. Line managers decided which sectors drivers delivered to, based upon the number of parcels for that particular sector. The principles of the parcel delivery process challenged a number of operational assumptions; especially, allowing drivers to decide which parcels they delivered, letting line managers concern themselves only with the quantity of parcels that remained in the depot rather than service quality, and permitting drivers to return to the depot with undelivered parcels.

Cross functional team challenged existing operational assumptions made by directors, managers and drivers. (IM_SOC # 5.39)

5.5.16 A. Conjoining first order constructs

“The approach that we took was that we felt there was a need to change the way the depots were managed, controlled. We didn’t know how to do it so the idea was that we would select a depot and appoint people to have a look at the operation within that depot and to make recommendations as to how it could be improved. To actually convert those recommendations into practice within that depot so that before we took changes anywhere else, they would be tried and tested in one depot. And that parcel would have a unique identity in the system, and could therefore be tracked ... through the process (and) systems.

We then moved the systems, the delivery systems, attached to every parcel going through an identifier which linked it into that particular sector, and then to measure the work content of those sectors on the basis of the length of rounds from sectors with a guarantee that we could service every sector within that round at least once every three rounds. Whilst at the same time guaranteeing a minimum of ten standard hours worth of work every working day to the drivers who were responsible for that round.” (Managing Director)

“(The process is based upon) a neighbourhood scheme which is a round set out into usually ten neighbourhoods, where you could plan the neighbourhoods for the driver, i.e. today the driver would go out on A, B, C and D. And tomorrow he’d go out on E, F, G and H. And we would cover the whole sector within three working days. That was on SMS1.” (Assistant Depot Manager)

“(The IT) system records every individual parcel as it goes through the delivery system.” (IT Co-ordinator)

| Unit: | Refers to: |
|----------------|---|
| Depots | Between 10 - 80 rounds |
| Teams | Usually ten drivers managed by Parcel Delivery Managers |
| Rounds | Drivers’ delivery areas made up of Neighbourhoods / Sectors |
| Sector(s) | Single or groups of Neighbourhoods |
| Neighbourhoods | Groups of postcodes or subdivisions of postcode sectors. |

Table A: Source: Extracted from the Delivery Management System Handbook

5.5.16 B. Interpretation and second order construct

The board recognised that the way in which depots were managed and controlled needed to change. They appointed a cross functional team to recommend ways of bringing depots under control. This team studied the operations of one depot, and designed and documented a future state model of the parcel delivery process. They identified three principles for the parcel delivery process. First, the parcel delivery process would ensure regular coverage, defined to be every three days, of each neighbourhood. Second, the locus of the parcel delivery process would be individual parcels, with each one uniquely identified and linked to a particular sector. Third, the measurement of a unit of work would be the time required to deliver each individual parcel and each driver would be given ten standard hours of work for their round. In addition to these principles, the team also documented the managerial, operational and systems aspects of the parcel delivery process. This included redefining terminology used in the organisation, e.g. neighbourhoods, sectors, and rounds. The cross functional team and line managers from the depot piloted the parcel delivery process to ensure the changes led to the anticipated performance improvements in practice. The directors wanted the proposed parcel delivery process to be tried and tested in one depot prior to its implementation in other depots.

Cross functional team and line managers identified the principles of the future parcel delivery process, designed the managerial, operational and systems aspects of the process, and proved it worked prior to implementing it in other depots. (IM_SOC # 5.40)

5.5.17 A. Conjoining first order constructs

“We have had to address the question of a quality of service in people’s minds, and really their understanding of how they can influence that. What they’re accountable for. And that has meant that all managers have

had to be capable of appraising the people that work for them, against them type of criteria.” (Managing Director)

“Three and a half years ago, when I was in Leeds, they certainly started the appraisals. They started to be more formalised. Again each depot got the appropriate, the company-wide appraisal documentation ... so now everybody in the management role is appraised on the same basis, ... using the same set of instructions and the same documentation.” (Team Member)

“We had no criteria originally, other than the managers’ feelings, and that’s why, in a sense I think, sort of certainly why everybody just got up to grade at the end of the year. And to some extent that still happens. It certainly, you see it occasionally in depots. And that has been in a lot of depots resolved, and is being resolved in others by use of this appraisal training. But we didn’t have any formal criteria at all. Now we have performance criteria based on claims for missing parcels, complaints, delivery volume, pence per parcel, if you like. So we can make assessments of performance based on all the traditional measures, whether it be cost or quality of service.” (IT Co-ordinator)

“But quantity is only one of the criteria now, whereas six years ago, it probably would have been the only one. And the only time you knew you had a bad driver was when things were absolutely totally disgusting. If a driver gets a clean sheet on all five of those headings, then he qualifies for a bonus for that week quantity, and quality, in terms of complaints, claims, poor delivery service.” (Implementation Services Manager)

“This agreement, which supersedes all earlier incentive agreements, is intended to establish the conditions under which a new payment structure, incorporating incentive payments related to measured productivity is being introduced for the parcel delivery drivers of GMR (Transport)/Carton Carrier.” (Source: Trade union / Carton Carrier agreement document - Parcel delivery incentive scheme negotiations, 1990)

5.5.17 B. Interpretation and second order construct

The board wanted people at all levels to be accountable for service quality. A formal appraisal system was established, which included criteria linked to the quality of service and financial performance expected from the parcel delivery process. These criteria included minimal claims due to missing parcels, customer complaints, and delivery volumes. Carton Carrier developed a set of appraisal documentation for company-wide use to ensure people were

appraised on the same basis. The chairman and directors recognised line managers needed to be capable of appraising people's performance. Each regional personnel department introduced the documentation to the line managers in their region. Criteria against which drivers would be assessed were introduced for the first time and these were incorporated in the new payment structure agreed with the trade union.

Carton Carrier developed an appraisal system with criteria linked to the parcel delivery process. (IM_SOC # 5.41)

5.5.18 A. Conjoining first order constructs

“The personnel departments in the regions ... they were pressured to keep the appraisals on course and at the right time, and there were the occasional visits to depots by personnel department to check with the actual appraisees to make sure that they had had their appraisals. And the whole thing got put on a more formal footing.” (Team Member)

“We've had to develop the depot managers and the assistant managers particularly, into actually developing their skills to do appraisals and taking the right approach, the right sort of questions to open up the interviews.” (Personnel Manager)

5.5.18 B. Interpretation and second order construct

Senior managers in Carton Carrier ensured the appraisal system was operationalised. They pressurised line managers from the regional personnel department to visit depots to check that appraisals were actually being carried out. Regional personnel managers reviewed personnel files, asked appraisees whether or not they had had their appraisal, and ensured the correct documentation had been used. They coached depot managers and assistant depot managers to develop their skills to carry out appraisals.

Regional personnel managers monitored the appraisal system. (IM_SOC # 5.42)

5.5.19 A. Conjoining first order constructs

“If we hadn’t had that agreement with the unions, we would have been back to square one before we even started, because we would not have been able to progress very far without changing the Bonus Scheme and the way that we wanted to operate the drivers as far as planning their day’s work for them.” (Personnel Manager)

“The workforce in some depots, will only ever do things that are agreed by the union. So that was very important to us that the union should be aware of what was happening, because again if we’re making a change, we’re making it for good. At least until the next new change comes along. What we’re not going to do is put a system in and then have the union say ‘Oh we didn’t agree to this’. ‘Failure to agree, take it out’.” (IT Co-ordinator)

“This final version of the (work measured incentive) scheme has been agreed following a series of negotiating meetings by the Company/Trades Union Parcel Drivers Committee and is unanimously recommended by that committee for introduction into the parcel depots of the Company.” (Source: Trade union / Carton Carrier agreement document - Parcel delivery incentive scheme negotiations, 1990)

“If the manager and their unions have said ‘Look we’ve gone through this, and it’s OK. We think it’s a good idea. It’s a good step forward’, then change gets accepted more readily.” (Services Manager)

5.5.19 B. Interpretation and second order construct

Carton Carrier’s drivers were members of a trade union. Hence, Carton Carrier had to seek the union’s support for changes to drivers’ payment terms and conditions. Carton Carrier could not have avoided negotiating with the trade union because the union could have the changes reversed and many drivers only acted once the union agreed. Negotiations with the drivers unions began in about 1989. The purpose of the negotiations was to change drivers’ terms and conditions such that they would be paid on the basis of the number of parcels they delivered in a standard ten-hour day, rather than the traditional two hundred parcels per driver per day. Once the company and trade union reached agreement, depot line managers and union representatives informed drivers that

their overall performance would be measured on the basis of service quality criteria and number of parcels delivered in a standard day. Depot managers and parcel delivery managers explained to drivers that service quality criteria required them to minimise the number of complaints, volume of claims, number of late deliveries, and poor delivery service.

Carton Carrier directors accepted that they had to negotiate with the trade union to change drivers' pay conditions. (IM_SOC # 5.43)

5.5.20 A. Conjoining first order constructs

“Relationships with trade unions down here are pretty cordial, and I’ve never had, in ten years down here (a southern region) ...I’ve never had a real nose to nose with the trade union, not like I had up north. We’ve never had a strike in the south, compared to up north Liverpool! I remember a Trade Union officer coming to us (and saying) ‘If people didn’t do what the trade union wanted in Liverpool, the employers didn’t meet the union requirements, they’d drive them off Merseyside!’ And that is what this union officer said to me.” (Regional General Manager)

“Subsequent to the Malham changeover, I went to Liverpool because they were going to implement (similar changes to Malham). At Liverpool they had a strong union, and they didn’t want it all because (1) it controlled them and (2) they perceived that it was going to stop them thieving, although it doesn’t necessarily stop them thieving, it does control them a bit more. And Liverpool was going to go on strike ... and it was very, very difficult with the workforce in Liverpool... The Liverpool blokes basically didn’t understand, didn’t want to understand. They were ruled by the shop stewards, and we didn’t have that problem here (at the Malham depot). I think that the shop stewards, because traditionally they don’t like change, I’m not saying (this of) all shop stewards or all union people but certainly in this company they are frightened of change. The unions are worried because they perceive that it is going to do something to their power base, or they’re going to lose money. And it was very difficult to convince them they were not going to lose money but they were going to do their job properly.” (Depot Manager)

5.5.20 B. Interpretation and second order construct

In spite of trade union agreement and support for the new payment terms and conditions, a number of individual shop stewards and trade union officials in the depots went against the implementation of the changes. On several occasions, implementation team members, for example, depot managers and regional general managers in whose depots and regions the process had been implemented, stood up to the stewards and officials.

Implementation team members were willing to withstand pressure from shop stewards not to implement the parcel delivery process. (IM_SOC # 5.44)

5.5.21 A. Conjoining first order constructs

“While the directors faded away, one by one, they left the company, I think most of them have now gone entirely.” (Services Manager)

“I think they’ve driven the depots very very hard over five years to get to the level we are now, and it’s worked but there’s been a lot of pain through it. We’ve lost a lot by the wayside. A lot of people don’t feel that they could keep up with it. We’ve lost managers, certainly we’ve lost a lot of driving staff. In all categories we’ve lost - either they couldn’t accept change or they didn’t like the way it was going. But certainly a few have fallen by the wayside over the last few years ... Quite a lot. We’re talking hundreds. The turnover at Malham traditionally, and the London depots traditionally has been very high. Off the top of my head I wouldn’t like to tell you the exact figure, but I would say it’s certainly in excess of four hundred over the last four years have been through our books, like the staff. Not four hundred management, don’t get me wrong there, but the vast majority were drivers in the depots.” (Depot Manager)

“But I think the case of drivers and first line managers, the chaps who were nearer retirement who were either having trouble taking in the change to a system which hadn’t changed for twenty years, or were uncomfortable with the new or certainly line management of having to manage people rather than just hide away there in an office and take some figures every time the driver came in. I think we found a very small number of people that couldn’t adapt to the change. In most cases, in fact, we did ... the examples I’m thinking of ... we found them a less demanding role or they left.” (Team Member)

5.5.21 B. Interpretation and second order construct

People from different levels of the organisation left during the implementation of the parcel delivery process. At senior management levels, the joint managing directors and four regional general managers left the organisation. At depot management levels a smaller number left. At the level of drivers a large number left the organisation. The reasons for people's departure vary. Some people left as they were unwilling to accept the changes. The joint managing directors and some drivers fall into this category. Other people were unable to meet the new service quality criteria laid down in the parcel delivery process, and they left the organisation voluntarily, took early retirement or were sacked.

People unwilling to accept the changes or unable to meet the required standards after being trained left voluntarily or were sacked. (IM_SOC # 5.45)

5.5.22 A. Conjoining first order constructs

“It was decided we should share computers with Home Merchandise, and so the system started to change ... putting in computer systems, major change. I don't think we had the skills at the time. We learned them very quickly, designing the systems.” (Services Manager)

“Pre SMS, we had two computers in the depot, linked by one wire and they would be linked by another wire into part of a mainframe (Head Office whereas the depots used) an old Apricot machine like a megabyte of memory machine (to tally the volume of parcels that flowed through the depot) everything was just pure volume. On a daily basis, we would say we had X amount came in, X amount went out, X amount left.” (IT Co-ordinator)

5.5.22 B. Interpretation and second order construct

Carton Carrier recognised it had insufficient financial resources to develop information systems that met the requirements of the parcel delivery

process. The previous board attempted to develop information systems on a limited budget, and these attempts produced inadequate information systems. People in the IT department, through poor training over the years, had inappropriate and outdated technical skills. This is evidenced by the low level of information systems in the organisation. Few, in any, of the information systems experts had managed the installation of a major new IT application.

Carton Carrier's board recognised that the organisation had inadequate financial resources and poorly skilled people to develop the information systems required to support the parcel delivery process. (IM_SOC # 5.46)

5.5.23 A. Conjoining first order constructs

“Since then all our systems have been designed and loaded on to the mail order mainframes, and this has allowed us a lot more freedom in designing systems because we've got a massive computer capacity which is available to us. At the same time, the computer programmers were absorbed into Home Merchandise, so Carton Carrier doesn't employ anybody who's an IT specialist. We buy those services now from Home Merchandise.” (Services Manager)

(The service department) then monitor(s) the progress of the computer department to make sure they deliver within agreed timescales, and setting out projects, specifying them and then monitoring the progress and ensuring that delivery was on time ... we ourselves now have a budget which we can spend on the different areas, to the different computer departments, and we work with them. We buy their services, but we do, we buy their services off them, on behalf of our own customers, the depots and the other departments. So that's a role which never really existed.” (IT Co-ordinator)

5.5.23 B. Interpretation and second order construct

Carton Carrier's board accepted that computer hardware and software should be compatible with Home Merchandise. The board outsourced Carton Carrier's computer systems, IT department and future IT developments to Home Merchandise's IT department. Although Carton Carrier outsourced its systems to Home Merchandise, they retain control over the budget for information

systems, and could specify, prioritise, monitor and control each IT development being carried out by Home Merchandise. The services department held the IT budget and act on behalf of their customers namely, depots and other Carton Carrier departments.

Carton Carrier outsourced its computer department and future information systems developments to Home Merchandise's IT function, but retained control over the information systems budget and development schedule. (IM_SOC # 5.47)

5.5.24 A. Conjoining first order constructs

“We had to spend a fair bit of time elevating the role of the Service Departments within the business and converting it from being operationally driven, very powerful from the Operations point of view, to being a more service organisation without making the operators feel threatened by that process. So that was the path that we embarked upon.” (Managing Director)

“We've invented whole areas of responsibility, particularly in terms of (systems) development and implementation. Services department of which I am a part, started off really as one of the computer departments, and we've developed the responsibility originally of interpreting the requirements of the users, the depots, and the various other departments into something that they, Home Merchandise's computer department, could understand ... And (the services department) developed to a general project (management) role where, if you like, the departments and internal consultancy, where we identify problems and suggest solutions. And we canvass every other department, and every other part of the business for requirements, needs, wants, or suggest needs and wants to them that we then go away and develop solutions to.” (IT Co-ordinator)

5.5.24 B. Interpretation and second order construct

The service department lacked credibility in the eyes of depot line managers. Traditionally line managers in depots and finance had greater influence over operational decisions than people from the service department did. Directors felt that a continuation of people in the service department being

perceived as less influential by people in operational departments a potential stumbling block to implementation to the parcel delivery process. Yet directors did not want the service department to assume control over operational areas, as this would result in operations people feeling threatened or withdrawing their support for the implementation of the parcel delivery process. The service department designed the detailed systems requirements for the parcel delivery process, and identified potential systems solutions with input from depot line managers and people from Home Merchandise's computer department. As individual information system developments were approved and prioritised, the service department specified the project plan and monitored its progress through to implementation. The service department took on the responsibility for managing the interface between Carton Carrier and Home Merchandise's IT department, ensuring they delivered each system on schedule.

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| The managing director raised the service department's profile in the organisation. (IM_SOC # 5.48) |
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5.5.25 A. Conjoining first order constructs

“Well this year's IT project is £2.7 million. And the capital project for this year is about £1.2 million ... in addition, there would be major projects, for example, our plan is to give all the drivers hand-held computers. That would not be part of the normal annual budget. That would be a one-off project. We've probably spent ten million pounds on sortation centres which are computer controlled ... We've got systems where we have Ordnance Survey maps digitised for whole country. ... We've designed and built in some systems which are state of the art, the way we plan our drivers' rounds for example. We spent a lot of time and money designing a system to do that.” (Services Manager)

“We've sought to justify investment in the IT area, and we've been very successful in that. However, as any business will recognise, it's an ongoing process. We continue to develop our information technology systems.” (Managing Director)

“Carton Carrier's has invested in its sorting and distribution systems.”
(Source: GMR plc Annual Accounts)

5.5.25 B. Interpretation and second order construct

Carton Carrier invested substantial sums of money in the development of new systems. The amounts invested warranted a mention in the GMR Group's annual accounts. According to press reports, Carton Carrier invested over £80 million over the previous five years (1989 - 1994) in state-of-the-art sorting, routing, tracing and tracking technology. IT specialists in Home Merchandise and the service department in Carton Carrier installed local area networks in 36 depots and about 400 personal computers across all depots. This ensured people in the parcel delivery process had electronic access to information. Home Merchandise's IT specialists developed bespoke applications to support the parcel delivery manager's ability to plan drivers' rounds. They developed a bespoke software application to calculate the number and type of deliveries made on a round within a standard ten-hour day. A key variable in this calculation is the type of delivery because this affects the 'drop' time, i.e. the time required to deliver a parcel. For example, a delivery to an apartment on the 25th floor of a tower block takes longer than a delivery to a semi-detached house on a suburban street. This application recognises the type of delivery address (semi-structured residence, apartment in a tower block, etc.), adds the time for each delivery, calculates the approximate time to driver between addresses, and suggests the number of parcels to be delivered in a standard ten-hour day. From the driver's perspective, the revised bonus scheme reflects the time difference between delivering a parcel to, say, a tower block than to a house on the street. Carton Carrier bought standard, off-the-shelf packages, which saved development time. Examples include Mosaic, a demographics package and the use of standard bar-coding technology to track parcels all the way through the delivery process.

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| Directors invested substantial amounts in information systems, including the development of a small number of bespoke applications. (IM_SOC # 5.49) |
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5.5.26 A. Conjoining first order constructs

“We tended to do it in ‘delivery per year’. So rather than just go away and design a big system, put it in and set it up, systems are evolving year by year. We found that easier for us to design. It’s easy to take account of a changing company. It’s also easy for the operators to absorb it then. (Now) we’ve got computers everywhere.” (Services Manager)

“Fairly primitive in terms of lack of computerisation.” (Managing Director)

“The developments to some extent outstripped the implementation, so while some of the Depots were on SMS1, we developed SMS2, and so some of the Depots jumped straight in at SMS2. Then while that was developed some of them then jumped into, moved to SMS3. We’ve just been implementing a sort of an upgrade, SMS3.5, which we’re rolling out throughout the country, we’re rolling out very quickly because it’s an upgrade, there’s not too much difference.” (IT Co-ordinator)

5.5.26 B. Interpretation and second order construct

Previously, Carton Carrier made few information systems changes that spanned the entire parcel delivery process. Therefore, the service department implemented the systems in stages, rather than develop the entire system and then implement it in one attempt. The first version of the sector management system relied upon current information systems. Later versions introduced new information systems. Later versions of applications were implemented in depots, which did not have previous versions. Depots with a previous version were upgraded to the newer version on a rolling schedule.

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| Carton Carrier introduced systems in modules rather than develop entire systems and implement them in a single attempt. (IM_SOC # 5.50) |
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5.5.27 A. Conjoining first order constructs

“Using wherever possible, the people who had been involved in its design in the trial depot, and sending those people out as implementation managers to assist in the implementation throughout the depots.

There’s always a danger that bringing too many people to implement or change things could then be seen as too many head office people coming in to put something in. And then once it’s installed, they will walk away, and the operators are left with the responsibility of making it work ... the idea was that if the operators were in control of that process, and had the final say as to when it went in and how it went in, and to the extent that they forced the operators to actually sign off implementation to say that it had been installed to their satisfaction, that they were now prepared to take ownership of that, there’s a key step critical path in the implementation programme ... they (people in the depot being changed) had to become integrated into that (implementation) process in such a way that they were benefiting from the skills of the technical team, but not in a way where they could actually stand back from it if it didn’t work, if it wasn’t their fault, and if it did - they would just take the benefits of it. They had to be integrated, that was the key to our policies. So we worked very hard on that ... we established implementation teams in each of the regions who were responsible to the regional managers for introducing SMS into their depots.” (Managing Director)

“I’ve developed my system in a team which has consisted of myself, a chap from the computer department, one guy from the van fleet management side of things, in terms of looking at the data we can get on vans. We’ve had operational people, people from the customer side of things. We tried to build up a broad team of people, in a sense a broad group and refine it down to a bit of a closer working team of the actual development.” (Team Member)

5.5.28 B. Interpretation and second order construct

Carton Carrier formed implementation teams to manage information systems implementations. Implementation teams consisted of people from the depot in which the change was being implemented (recipients). In addition to recipients, implementation teams included people that had experienced the changes already, e.g. depot managers and parcel delivery managers; people from service areas, e.g. internal consultants, work study experts; functional experts, such as Home Merchandise’s IT people and regional personnel department. Implementation teams were collectively responsible for systems implementations rather than the service function being solely responsible. Each implementation team was responsible to the regional general manager for

ensuring deadlines were adhered to. People, i.e. recipients in the depot where the system was being introduced, forged relationships with implementation team members (implementors) through day-to-day contact and conversations with one another. Implementation team members were based at the depot that was adopting the system. The implementation team developed a plan for installing a new system, however, the pace of installation was determined by the system's users.

Carton Carrier created implementation teams, consisting of implementors and recipients, who took joint responsibility for installing the new systems that underpinned the parcel delivery process. (IM_SOC # 5.51)

5.5.28 A. Conjoining first order constructs

“Every time we put in a new system, we have a training package which is part of the role up front for that system. We have professional trainers whose job is really to train the managers on how to train their staff. The trainers tend not to stand up in front the workforce. That was supposed to be done by the managers. So managers again, they've had to get used to doing that.” (Services Manager)

“The training as well, is that we need - the trainers need confidence in the system before they can pass their knowledge on to the end operators, if you like. And the trainers need confidence in their own abilities.” (IT Co-ordinator)

5.5.28 B. Interpretation and second order construct

Line managers, rather than IT specialists or training managers, taught people to operate the new systems. Training managers prepared line managers, including depot managers, assistant depot managers and parcel delivery managers, with an ability to train their staff. IT specialists trained line managers in the functionality of the systems. Line managers then had to explain the system to their staff.

Training and IT managers trained line managers to use the systems and depot line managers taught people in their depots. (IM_SOC # 5.52)

5.5.29 A. Conjoining first order constructs

“Certainly in the depots people were cowed by the fact that there was no, how can I describe it ... they were much more concerned with conforming to what the system should be, rather than trying to suggest changes that could be made to the system. So we’d find in depots people would be rigidly trying to fit in with something that didn’t really quite work. And perhaps some of them in the early stages resented some of the problems, some of the systems, because of the occasional problem, the occasional teething problem. Whereas now, if there’s a teething problem - teething problem with the system, we get gip about it, or we’ll give gip about it, depending which side of the coin you’re on. But people are much more understanding and they also know that the suggestions are going to be taken on board. It’s changed quite radically in the time I’ve been here.” (IT Co-ordinator)

“We’ve actively sought to encourage people to challenge procedures and practices, and to have the opportunity to constructively input into the change process by saying ‘This doesn’t work, we need to revisit or change that’.” (Managing Director)

5.5.30 B. Interpretation and second order construct

The way people in the depots reacted to the systems changed during their implementation. When the systems were first implemented, people in the depots conformed to them even though the systems were inadequate for the task at hand. They became frustrated with the system and the implementation team, and built up resentment towards both. Board members and senior managers encouraged people to question current procedures and practices, and changes being made by implementation teams. As the implementation progressed, people became more confident in their own abilities and also in the implementors.

Directors and senior managers encouraged people to question the previous parcel delivery service as well as the proposed changes, and they were willing to do so and to provide feedback to the implementation team. (IM_SOC # 5.53)

5.5.30 A. Conjoining first order constructs

“And from that, very early on, came the work on the SMS, and through the SMS project we were able to bring together operators and service people as a working team, and therefore some of the barriers were being literally broken down. Service people became site based, talking to operators on a day-to-day basis.” (Managing Director)

“I have to say that we weren’t averse to learning from experiences. If people found that what we were doing was not right, we were quite happy to take on board their ideas and suggestions and incorporate those when possible into future versions of the system. So it wasn’t ‘We’re from Head Office, and we’ve come to help install this wonderful new system’. It was very much an interactive affair.” (Team Member)

5.5.30 B. Interpretation and second order construct

The board collocated implementation teams with people in the depot in which the parcel delivery process was being implemented. Implementation team members listened to people’s ideas and incorporated these into future developments, where possible, to demonstrate the ideas were not ignored.

Implementation team members listened to people’s ideas and incorporated these into future implementation plans. (IM_SOC # 5.54)

5.5.31 A. Conjoining first order constructs

“But the day-to-day planning is all devolved to the parcel delivery managers now ... I’d say week on week, it’s perhaps the Assistant Managers, but when it comes down to the actual driver coming in in the morning, the parcel delivery manages a team of drivers, and who he’s going to send where; then that’s all down to the parcel delivery manager.” (Team Member)

“We are now talking about drivers in groups of about ten or fifteen working for a particular manager. So the drivers know exactly who they work for, and the managers know exactly who they’re responsible for. We know what vans, what drivers and on a map you can draw a line around that part of the UK that a manager’s responsible for.” (Assistant Depot Manager)

5.5.31 B. Interpretation and second order construct

Parcel delivery managers were made responsible for a team of ten to fifteen drivers. This responsibility included drivers’ performance, training, development, disciplinary and grievance procedures for each driver. Parcel delivery managers were made responsible for the day-to-day planning of drivers rounds. They were also made responsible for service levels provided to customers in their geographic area. They also became responsible for activities in the process such as booking out drivers, all aspects of delivery, and returns.

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| Parcel delivery managers were made responsible for the service quality achieved and quantity delivered by a team of van drivers. (IM_SOC # 5.55) |
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5.5.32 A. Conjoining first order constructs

“So the idea is that we pay the driver for each bit of work he does. So now we plan the drivers to what we expect is going to be ten-hours work if he completes it. And then any drivers who complete that work get the full payment. If they do a little bit extra like collect more parcels, not from tenants, from agents, then they’re going to get more than that. If they don’t complete all the work they’re going to get less.” (Team Member)

“The basic working week shall be based on 39 hours to be worked in 5 days, Monday to Friday (i.e. 8 hours on a Monday and 7 and 3/4 hours on other days). Management will endeavour to provide not less than 42 standard hours work per driver each week, and payment will be guaranteed to this level (i.e. £143.55 per full working week). Where not less than 42 standards hours work is allocated and a driver fails to achieve 42 standard hours, then the company will investigate the reasons for this failure. If there is evidence of consistent poor performance then this will be resolved through counselling, retraining or discipline as appropriate. In order to meet the Company service levels and at the same

time optimise earnings potential, it is intended to plan weekly workload to approximately 50 standard hours. During periods of peak parcel volume, it is intended to plan weekly workload to approximately 60 standard hours.” (Source: Trade union / Carton Carrier agreement document - Parcel delivery incentive scheme negotiations, 1990)

5.5.32 B. Interpretation and second order construct

Drivers’ responsibilities were made explicit: They became responsible for a geographic area, typically a number of sectors, and for the delivery of parcels allocated to them while ensuring customers were satisfied with each delivery. To reinforce the change in responsibilities, the board redefined the drivers’ working day and changed the basis of calculating their bonus. A working day is equated to a standard ten-hour day, which is about 42 clock hours per week. A 10 standard hour day includes ‘drive time’ to and from the round, plus ‘drop time’, i.e. the number of minutes to deliver a parcel, plus the ‘depot constant’, i.e. the daily check the driver has to make on his vehicle. This check ensures the overall appearance of the van is clean and that it is in good working order by checking the oil, water and tyre pressures. Each driver has 23½ minutes to conduct his daily depot constant.

Drivers’ pay and bonus scheme was aligned to their responsibility to achieve service quality and volume of deliveries within a standard ten-hour day.
(IM_SOC # 5.56)

5.5.33 A. Conjoining first order constructs

“We tend to use our drivers as experts in an area rather than a flexible resource that could go anywhere and deliver a number of parcels. So when we sit down with a driver and agree his round, the driver is actually there helping to draw the boundaries, down streets, round bridges, over canals.” (Services Manager)

“The people who are key to the success of the business are the people on the ground. They have tremendous skills and knowledge which are often difficult to actually tap into or appreciate, so they have to be operating on our behalf and on a trust basis.” (Managing Director)

5.5.33 B. Interpretation and second order construct

Board members and senior managers changed their perceptions of drivers. Board members and senior managers realised that drivers affected Carton Carrier's future success, as they are in direct contact with customers, and hence, directly influence service quality. Board members and senior managers also recognised that drivers accumulated a great deal of knowledge about a neighbourhood and that this knowledge was valuable, as it enabled them to make quicker deliveries. Managers encouraged drivers to take ownership of their geographic area and obtained their direct input to design their best route. This was especially important to the development of the bespoke route planning application. Drivers sat with members of the implementation team to agree issues such as the boundaries of his rounds and likely routes up or down specific streets.

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| Board members and managers considered van drivers key to Carton Carrier's future success. (IM_SOC # 5.57) |
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5.5.34 A. Conjoining first order constructs

“Drivers aware of the fact that he's being criticised for individual deliveries, not just overall performance in terms of quantity delivered.”
(Services Manager)

“It was all part of these meetings we had. They went all through that - what was expected of you; how to deal with people. They went all over that. I think that was one whole meeting, was emphasised on customers, how to deal with them, and what was expected of you. So everyone knew, basically, what had to be done ... well years ago, you never hardly heard about the customers, but now I think they realise that the customer is the important one, and with the changes they've made, I think they've got to put a lot more emphasis on the customer. You know, uniforms, obviously, so they know who you are. You've got to be more polite, try and speak to the customers ... most of the ones (drivers) I know do it pretty good anyway. I can't speak for everyone, but most of them, they realise that the customer is important. That's your job isn't it? I think most of them do, yes.” (Driver)

“Some of them, needless to say, they did it naturally anyway, it’s just their personality. But others, we’ve actually had to encourage them and coax them into being able to be polite to customers, actually knocking on the door and waiting for Mrs Jones to come to the door, so that they can actually hand her their parcel.” (Personnel Manager)

5.5.34 B. Interpretation and second order construct

Drivers were informed of customers’ complaints about the service received at the point of delivery. Depot line managers explained the importance of customer service, and that the way in which they dealt with customers had to change. Drivers changed their perceptions of customers and the importance of improving service quality at the point of delivery. This included handing a parcel over to customers rather than door-stepping the parcel.

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| Van drivers recognised the importance of service quality. (IM_SOC # 5.58) |
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5.5.35 A. Conjoining first order constructs

“Against the same fundamental objective has been there since 1989, and that is that we’ve sought to encourage the whole of our workforce to be party to the corporate objective of providing a first class service as cost effectively as possible ... we’ve sought to have far greater participation in that objective ... so we’ve tried to install within the organisation a feeling of ownership of the business, participation,... We’re all aiming towards the same end objective. We want job security, we want to be reasonably well rewarded.” (Managing Director)

“The depot manager has more input in the strategic planning.” (Team Member)

5.5.35 B. Interpretation and second order construct

The board set out the corporate objective to be the provision of high levels of customer service that is cost effective. The board sought to instil a sense of ownership of these objectives within the people in the parcel delivery

process. The business objectives had financial and service level targets in terms of profitability, service quality and delivery volumes.

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| Board members refocused the corporate objective. (IM_SOC # 5.59) |
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5.5.36 A. Conjoining first order constructs

“The people that were a party to (GMR (Transport)) that operation had been with it in the main for a number of years. Naturally enough, they felt that they were doing the best they could, and felt it important that they shouldn’t feel alienated or threatened by any proposal to come from head office and take a different approach. Because the philosophy that I and the Chairman had was that we would rather work with people and have them contributing to the activities and the developments than to alienate them and find either resistance or at best an indifference to what we were doing. So it’s important we were always to have people feeling secure and people were contributing to any change or process that was taking place.” (Managing Director)

“We made every effort to look after people who were having trouble, either by training or by finding a less demanding role.” (Team Member)

“If the drivers, the workers trust their manager, then I think changes are easy to implement. They don’t necessarily trust us, strangers in suits that turn up at depots, saying ‘We’d like you to take this computer out every day’ with your parcels.” (Services Manager)

5.5.36 B. Interpretation and second order construct

The board and senior managers were concerned about the way people who supported the changes felt. They gained these people’s acceptance of the need for redesigning the parcel delivery process while ensuring:

- People did not feel they were being criticised for their current performance and actions;
- People did not feel indifference towards the parcel delivery process;

- People did not feel alienated from the parcel delivery process;
- People were supported in ways that suited them. For example, some required training, others required less demanding jobs;
- People were confident while making the transition to the redesigned parcel delivery process;
- People felt secure about their future with the company when they achieved what was required of them.

Regional general managers, depot managers, and regional functional managers gained support for the changes from people at each level in the parcel delivery process. Regional general managers reassured depot managers; depot managers spoke to assistant depot managers and parcel delivery managers; they in turn reassured drivers; functional managers discussed difficulties with all the line managers and drivers.

Board members and regional general managers recognised as important people's feelings of fear, insecurity, indifference, confidence, and criticism. (IM_SOC # 5.60)

5.5.37 A. Conjoining first order constructs

“I think the senior management now are prepared to listen to us. I’m not saying that they will act on what they listen to you, but at least they are prepared to listen to you ... senior management come and see you now, not necessarily to bollock you; they come and see how you are getting on.” (Depot Manager)

“Rather than five years ago: they’d come in and they was thrown a set of keys and a bit of paper, because one man had a lot more parcels on it than another van. They didn’t know where they was going, so they used to come in with their A-Z, pick up their set of keys and go out to Brixton, where tomorrow they pick up their A-Z, their set of keys and go out to Malham or Croydon. But now that is not the case.” (Assistant Depot Manager)

5.5.37 B. Interpretation and second order construct

Directors and senior managers changed their behaviour to the extent that they are more willing to listen to line managers. This cascaded through the organisation. Depot line managers behaved less aggressively towards those below them in the hierarchy. For example, previously depot line managers threw people into a job and expected them to do it with a minimum of training or explanation. New drivers, in particular, were often simply thrown a set of keys and a piece of paper with delivery addresses on it. They were then pointed to a van and expected to make 200 deliveries per day. Drivers that could not cope left the organisation.

Board members, regional general managers, depot managers, assistant depot managers, and parcel delivery managers listen to those below them in the hierarchy. (IM_SOC # 5.61)

5.5.38 A. Conjoining first order constructs

“We wanted a ‘hole in the wall’ as I called it. Before the depot was extended this was just a one-way depot. You just drove in that door and when you’d unloaded, you had to back out the door. And of course, we had accidents galore and chaos, and what we wanted was a door knocked in the end wall. £4000, the managing director then, McPatrick wouldn’t have it. Alex Hammond came here. They recommended the implementation to him, and it was done. Overnight, the system operated, and you thought ‘Jesus Christ, this is Father Christmas come along!’ I mean £4000 for this company is like well, not even peanuts.” (Depot Manager)

“I mean the fact that you’d got one of the black phones that was the old bakelite ones, we had those in these depots. I mean that was the way the depot was run.” (Depot Manager)

5.5.38 B. Interpretation and second order construct

Directors and line managers made a number of symbolic changes. Managers went out occasionally for lunch. The depot environment was improved: floors were repainted, cleaners were employed to tidy the depot, and flower boxes were placed in the entrance. Furniture, fixtures and fittings were

improved: parcel delivery managers were provided with a desk and chair each, depots were provided with an overhead projector, old photocopy machines were replaced with new ones, and a new telephone system was installed.

Board members and line managers made symbolic changes in support of the parcel delivery process. (IM_SOC # 5.62)

5.5.39 A. Conjoining first order constructs

“Giving them the exposure, recognising their strengths and weaknesses. And by a very deliberate policy of trying to make sure that all our managers received some opportunity to be line managers, as well as service type of operatives. This broadening of their skills, as they progressed up the structure, they weren’t just line managers, or just technicians, they had had some experience of all aspects of the job for the future. ... A very definite policy to do that. We would seek to give our managers as much opportunity as possible to become multi skilled as they progressed through their career.” (Managing Director)

“As a graduate trainee, I was essentially put in a depot and expected to attach myself to various people and learn how they’d do each job. A couple of weeks with a driver, and so on, which is all fair enough. And then I was just put in a supervisor position and left there. And I didn’t really get an understanding of how everything fitted together, particularly in regard to the rest of the group, other parts of the company. That really in the sort of twelve months after I’d joined gradually began to pick up. And with the graduates who started more recently, they get a proper induction, they get the chance to visit different locations. For instance, some graduates who joined Carton Carrier, get to visit the Sort Centres and the warehouses where the Home Merchandise parcels are packed. They get to visit marketing departments and all sorts of other areas that really I knew nothing about when I came out of Hull.” (Team Member)

“We’re trying now to take the opportunity to take managers who are progressing through their career structure and deliberately give (them) exposure to do with clients on a first hand basis, so that as they mature and progress in the structure they have the required skills to actually deal with the kind of situations that arise from commercial activities, and were never previously evident.” (Managing Director)

“Like yesterday, I was talking to a company who now want us to deliver eight million parcels for them. Now this is the most exciting thing

because these parcels are unlike anything else we deliver, and already you can see the changes that are going to be necessary in the organisation to accommodate those eight million parcels. It was a good day, it was an exciting day.” (Services Manager)

“To try and explain it a bit better, even on my side, when I joined, you would never get people coming from warehousing into Carton Carrier and Carton Carrier into warehousing from the management point of view. People just didn’t swap. Once you went into one Division, that’s where you stayed for the rest of your career. Whereas it’s an active concept, particularly when we take on graduates, they are told that ‘You’re going to do twelve months in warehousing, and twelve months in Carton Carrier, or vice versa, and then you can decide where you want to go’.” (Personnel Manager)

5.5.39 B. Interpretation and second order construct

People raised their profile by switching from a line to a service role and vice versa. The organisation deliberately encouraged line managers to become involved in the implementation of the parcel delivery process, and let people from the service department take up line jobs. To reinforce this policy, several training programmes were developed. These include eight or nine core courses on the basics of sound management, computer courses which cover basic computer literacy and systems design skills, counselling and coaching programmes for line managers, and a graduate induction programme which trains graduates in different departments in Carton Carrier and Home Merchandise. Rather than have line managers who specialised in a single task, the board wanted people who understood and performed several different activities. People broadened their skills by taking line, service or technical roles. For example, depot managers implemented the parcel delivery process in other depots. People, starting with board directors, encouraged others to become experts in their job and to have a good understanding of the range of activities undertaken in the parcel delivery process. People have visibility across the process and hence understand the implications that a decision, made in one activity, has upon other activities in the parcel delivery process. People move between different parts of the depot, sort centres, and between Carton Carrier and Home Merchandise, which was previously unheard of.

The board encouraged people to develop a range of skills by moving from a service to a line management role, and from the warehouse to the depot operations and vice versa. (IM_SOC # 5.63)

E4_5.6 Effects of radical process orientation

5.6.1 A and 5.6.1 B are located in the body of Chapter 5.

5.6.2 A. Conjoining first order constructs

“Up until ‘89 when the future of this business really was not risk in the sense that the bulk of the revenue came from one client, ... and they were unlikely to take that business and give it to anybody else. And therefore, there was this attitude, or a danger of an attitude of ‘Well it doesn’t really matter how long or badly we do the job, we’ll still get the business. And if it costs us more then we’ll just charge them (Home Merchandise) for it’. So it was comme ci, comme ca. In about 1989, Carton Carrier, or GMR (Transport) as it was then called, played around with outside business. They had some contracts to carry parcels on behalf of other people. But they tended to be a fairly small volume, loads of try’s which never really came to fruition, and I would imagine the volume was no more than two to three million parcels in any one year against a background of 70 million Home Merchandise parcels ... again if we didn’t have computers, we’d have more drivers. If we had more drivers we’d have to have more depots. Opening depots is a nightmare.”
(Services Manager)

“Pre ‘89 there had been a number of ventures into the commercial market place, but they’d all been fairly short-lived. Whilst our marketing people had gone out and sold the promise of a service, the reality of it was an empty one and therefore in fairness, at that stage, had a very bad reputation of being a carrier that promises to do things, but doesn’t actually achieve (its promises) ... we’ve had to get the core business under control through the process we’ve talked about. Having got to the stage where we felt we were controlling the business, and that people were accountable, we then embarked upon a positive move to enter the commercial market sector. To do that on the basis that we had now got a service that was marketable where previously it hadn’t always been.”
(Managing Director)

“One of the things I didn’t say in all the changes has been that we have developed the outside business aspect of the company over the last few

years, and that's basically increased our business by, in broad terms, half as much again as we were carrying then." (Regional General Manager)

5.6.2 B. Interpretation and second order construct

GMR (Transport) had a single customer - Home Merchandise. GMR (Transport) had made several attempts to gain external business, however, these attempts ended in little success. One of the major effects of redesigning the parcel delivery process was that Carton Carrier gained external customers. By the middle of 1995 the volume of parcels for external customers reached close to 30% of a total of 120 million parcels, an increase from about 3 million to about 40 million parcels. This substantial increase in the number of third party parcels was achieved using the same number of depots. Carton Carrier invested in 50 trailers and 30 truck units specifically to handle business growth. However, the number of physical depots remained the same throughout 1989 - 1995. There are cost advantages because the capital costs of setting up additional depots, as well as the on-going running costs are not incurred.

Carton Carrier entered into new markets successfully using the parcel delivery process developed to handle Home Merchandise's parcels, without increasing the number of depots. (ERPO_SOC # 5.65)

5.6.3 A. Conjoining first order constructs

"We have much much tighter control of what goes on, because we control every individual parcel, and we've got a lot of information about every individual parcel, all based on the bar-code." (IT Co-ordinator)

"The combination of control over transit times and control over work content issued to drivers which was the fundamental objective. To provide a consistent service within an agreed parameter of one to three days, add to that the most cost effective basis ... the Home Merchandise side of the business is still the major client in terms of the parcels ejected in to the process and because the third party business that we brought in has been brought in on the basis that it's been designed to fit in to the existing level of commercial optimised trunking routes and sorting capacity." (Managing Director)

5.6.3 B. Interpretation and second order construct

Carton Carrier resolved one of its key drivers for change, namely to provide a consistent delivery service in a cost-effective manner and regain control over the parcel delivery process.

Carton Carrier's management have regained control over the parcel delivery process. (ERPO_SOC # 5.66)

5.6.4 A. Conjoining first order constructs

"I've come back to what I said earlier on, it's still a dictatorship. Whilst we had some input on things, at the end of the day it was going to be driven from the top. It was going to happen whether I wanted it to happen, whether I'd allowed it to happen, or whatever. But I think to a certain extent, we felt that we were a part of it ... the company is a dictatorship, but I think that within that it has flexed a little bit. It's not quite such a rigid dictatorship as it used to be, certainly not at our levels anyway." (Depot Manager)

5.6.4 B. Interpretation and second order construct

There is still a residue of the old organisation. While it has gone through a radical change there is a hint that old behaviours could return.

Some aspects of the old organisation still remain. (ERPO_SOC # 5.67)

Appendix 6 Foundry Insurance: First order constructs, interpretation and second order constructs

This appendix forms an integral part of Chapter 6.

F1_6.3 Commencement

6.3.1 A and 6.3.1 B are located in the body of Chapter 6.

6.3.2 A. Conjoining first order constructs

“We were beginning to lose major accounts. Our business is not a business where accounts leave you readily, but they were beginning to drift away and very significant accounts were beginning to drift away. Just before I came, we lost a single biggest contract of its type in the UK market to a competitor.” (Managing Director)

“And that we had to provide a service otherwise we’re dead; and I think that was one of the major failures was that we weren’t too worried about providing a service to our customers, and therefore that’s why we were going downhill. That need was probably the most important thing. The customer is important to us ... our existing market is the one we wanted to service better and needed to stabilise and hold on to ... that need was probably the most important thing: the customer is important to us and perhaps we had better start looking after them.” (Deputy Managing Director)

6.3.2 B. Interpretation and second order construct

Foundry Insurance began losing existing customers to competitors. In one case it lost the single biggest insurance contract of its type to a competitor. The board and senior managers realised that Foundry Insurance needed to improve its service levels to existing customers to retain them. The board accepted that the organisation needed to focus upon its existing customers, and provide them with service levels that were significantly better than existing levels.

The board realised that the organisation needed to retain existing customers, as longstanding customers moved their business to competitors. (C_SOC # 6.2)

6.3.3 A. Conjoining first order constructs

“I think in that sense it started off with the absolute requirement to get this company, uh, on the right footing and financially stable for the future as it was going downhill fast.” (Deputy Managing Director)

| 1989 | 1990 | 1991 |
|-------|-------|---------------|
| £9.6m | £6.1m | £-6.3m (loss) |

Table B: Annual profit / loss figures for Foundry Insurance

(Source: presentation made by managing director)

“Well you’ve seen what happened to us in 1991, we made a staggering loss ... we obviously had to get back to profit very quickly indeed. Our company had at best, two years left. We had a rich and wealthy parent, but nevertheless time was running out for us as an organisation.

I remember a classic of this. I was going round the organisation in the early days, and I came across a chap who was at a desk. Well I think he was at a desk, but all you could see was paper all around him. Now this chap was an Acceptance Engineer. After one of the engineers in the field had filled in a report, everything would have to go to Head Office for acceptance before it went to the end customer. And I said to this chap ‘You seem to be struggling a bit here’, and he said ‘Well it’s not as bad as it was, the backlog used to be six months. It’s only five months today, it’s improving’. And that was typical of our organisation at the time.” (Managing Director)

“The biggest problem in our industry, not just for Foundry Insurance, but the industry generally, was the fact that we had more business than we could service, and sometimes we were not getting inspections done on time. We call it overdue inspections.” (Engineering Manager)

“It could take anything from 3 to 12 months to actually issue the policy.” (Implementation Team Leader)

6.3.3 B. Interpretation and second order construct

Foundry Insurance had been profitable during the 1980s. However, profitability fell from £9.6 million (1989) to £6.1 million (1990), and the

organisation recorded a loss of £6.3 million (1991), the first in its history. The board realised that the organisation had to become financially stable.

Foundry Insurance's customers wanted up to date reports that certified that their plant complied with relevant statutory regulations. In most cases, statutory regulations set out the frequency of the inspection. Foundry Insurance often took between three and twelve months to issue an inspection report and insurance policy to customers. Failure to meet statutory deadlines left customers exposed to censure under law and affected whether or not they operated plant. Foundry Insurance's contractual obligation with its customers required plant inspections within the timescales determined by law. Foundry Insurance had a growing backlog of late inspections, referred to internally as overdue inspections.

Foundry Insurance experienced its first financial loss of £6.3 million and had unfulfilled contractual obligations. (C_SOC # 6.3)

6.3.4 A. Conjoining first order constructs

“Managers were really just supervisors of functions. ‘My job is to do this’. I can quote a guy who was in charge of the policy department. He’s the guy who produces the policies, head of the typing pool and so on. ... When somebody wanted a policy as a matter of priority, he was very upset because it upset his scheme of things. ‘Here’s my pile of priorities, and I’ll work through this pile, now you want this one. Now that’s very upsetting because that’s going to put this one back’, and so on. The fact that this customer’s screaming like mad wasn’t concern, somebody else’s concern. ‘I’ve got my job to do’.” (Deputy Managing Director)

“I actually heard the classic words from one of our managers: ‘well, I don’t know what we’ve done wrong, we haven’t changed - they must have done’.” (Managing Director)

“Do the jobs which are easy and leaving those jobs that are perhaps dirty and more difficult. I mean we’ve got clients who’ve got thousands of outlets. You couldn’t have the surveyor in Birmingham doing something different to the surveyor in Manchester for the same client. You’ve got to get it right ... we have to have that especially for clients who are dispersed throughout the country. You can foul up for one client at one address and he won’t notice but you do two different things with the same

client and perhaps that client's got one engineer controlling several addresses, he soon sees 'Why is he saying that?' and 'Why is he not saying the same?'" (Engineering Manager)

"By not following the corporate objective, we were therefore delivering a fragmented service to our customers. 'In the north region, you'll do this for me, but in the south region you won't.'" (Customer Services Manager)

6.3.4 B. Interpretation and second order construct

People in Foundry Insurance protected their own work. People were largely unconcerned about customers and their needs. People focussed upon their individual jobs and rarely linked their actions to the effects upon the customers and service levels. Managers had little control over the conduct of the inspections and the administration involved in sending out reports and policies to customers. They had little control or influence over the amount of time an engineer spent on a particular site. This was because there were poor time records and very few checks to verify the times stated by the engineer. Each administrative department in head office checked and rechecked the work of other departments, as one department had little visibility of what an adjacent department did. The board wanted consistent service levels across the organisation, so those customers that dealt with different engineers received consistent quality of service.

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| Foundry Insurance wanted to bring activities that affected customer service under management's control. (C_SOC # 6.4) |
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6.3.5 A. Conjoining first order constructs

"And we were spending as an organisation, this Foundry Insurance, £2 million a year on IT. They had - there'd been one of those typical IT stories I'm afraid; we had remote big data centres within the parent organisation who said 'We can help you with your IT development, Foundry Insurance.' ... the people in Foundry Insurance had never really used any IT, so you had innocent users and remote suppliers of the service. The suppliers of the service didn't understand the business. So

they (Foundry Insurance's management and IT suppliers) set in to rework our Plant database - this is the major database on which all of our activities in one way or another are really focussed. And we were spending £2 million a year for the system that they had delivered to us. It had taken them three years to design that systems and a year to systems test it, and when they delivered it, it didn't work ... So I inherited a situation with the management within Foundry Insurance, it's first and only experience with IT had been a crippling one - big mainframe box costing them a lot of money which they were locked into, and actually didn't give them what it was they wanted." (Managing Director)

"We did dabble with IT some years ago and we pulled back because it was a problem, ... when I mentioned that we scheduled surveyors back in the 80's, that was wrong because that would say to surveyors 'We don't trust you' ... that (surveyor scheduling system) was imposed on them and that was wrong and it wasn't managed properly - it wasn't explained to them properly why we were doing that. It was just imposed. The scheduling system was not liked." (Engineering Manager)

"I think that creation actually created forty odd work groups which is quite a lot. Some of them very small ... we actually split it (the organisation) almost too far." (Deputy Managing Director)

"We had five or six regional teams servicing a geographical region. We're supposed to be a department working as one, but we weren't. We were six teams doing things, the same job six different ways. We had a lot of fragmentation, a lot of duplication." (Customer Services Manager)

6.3.5 B. Interpretation and second order construct

Foundry Insurance, in the late 1980's attempted to address drivers for change in two ways. First, by upgrading the surveyor scheduling system and the plant database. Engineers and administrative staff, who were expected to use the new systems, were neither consulted during the development nor involved with the implementation. Many engineers felt the systems were being introduced because senior managers did not trust them. Senior managers attempted to impose the systems but were unable to. According to a number of managers the systems implementation failed. Second, by restructuring the organisation into 40 work groups. The board created work groups from the prevailing functional structure. People began to understand how their function operated and to identify whether or not they were meeting their financial targets. However,

people in the work groups lost sight of the interdependencies between activities. For example, one department consisted of six regional teams, each one serving a geographic region. The department's manager recognised that each group operated differently. This restructuring initiative fragmented the organisation.

Foundry Insurance previously attempted to address drivers for change by upgrading its information systems and restructuring the organisation. (C_SOC # 6.5)

6.3.6 A. Conjoining first order constructs

“When he's typed up his reports on the machine, he plugs it into the modem, zaps it up over the X25 network into Head Office, and they're beautifully printed on the laser printer overnight, and out they go. Ninety-five out of every hundred reports are ready for despatch at 1 o'clock in the morning. The other 5%, where it does require some sort of Head Office involvement, are on the screens of the engineers first thing in the morning when they come in, and are dealt with by 10 o'clock and then ready for despatch.” (Managing Director)

“So that if you (the customer) wanted to talk to me about a problem with a piece of engineering plant, you'd talk to me, but if you at the same time wanted to add a new item of plant, you'd talk to somebody else, and if you had a claim, you'd talk to somebody else. And if you actually said, 'Well I really want to take out a new policy, as well', then it would be somebody else again - we'd try and draw all those together now, so you'd talk to me. So the underwriter will be the salesman, he'll be the administrator, and he'll answer some technical queries as well ... We've put the engineer surveyor type environment, the operations, with the customer service sales and the account teams together under the same umbrella ... so that they work collectively as a team, servicing a customer stream, rather than all having a responsibility on that customer, but individually operating ... So instead of just doing Task A, I now do Task A, B, C, and D, all requiring different skills, knowledge, education, training, but the core job is still the same but we've put it together more.” (Customer Services Manager)

6.3.6 B. Interpretation and second order construct

The activities carried out to satisfy customers' requirements including the production of inspection reports spanned several existing functions and

departments within each function. Foundry Insurance's board recognised that these activities needed to be aligned. Changes to each activity needed to be co-ordinated across functions and departments such as engineering, boiler, electrical, machinery, administration, IT, and customer services. Foundry Insurance co-ordinated the changes at managerial and operational levels, for instance, by bringing together activities in the inspection process and reducing the number of handovers between people in different functions.

The drivers for change required organisational changes to be co-ordinated changes across engineering, boiler, electrical, machinery, administration, and customer services functions at managerial and operational levels. (C_SOC # 6.6)

F2_6.4 Changes that occurred

6.4.1 A and 6.4.1 B are located in the body of Chapter 6.

6.4.2 A. Conjoining first order constructs

“Prior to, I suppose, (the new managing director) joining us, and things taking off at that point, you were either an underwriter, you were an engineer surveyor, whatever. It was very, very functional, vertical.”
(Implementation Team Leader)

“Executives have had to start learning how to look at the business process as a totality rather than just their own patch. Now we work it (the inspection process) all together.” (Deputy Managing Director)

“We had a Chief Boiler Engineer, a Chief Electrical Engineer, and a Chief Machinery Engineer, machinery in Foundry Insurance means lifts and cranes and excavators and plant that you see on the building sites ... we decided that there was a conflict of interest. Being a technical manager means you have technical responsibility for what goes on technically, but it also means you have responsibility for the administration of those surveyors which are out there in the field earning the corn ... to manage that at the same time as being technically responsible for technical decisions within the department, was proving to be a difficulty ... now the customer comes on the phone, he knows that he's going to speak to a team which is dedicated to him or his business, rather than probably, he might have a technical query in which he'll come on to the switchboard and the switchboard might put him to the

correct technical man, they might put him to a commercial man.”
(Engineering Manager)

6.4.2 B. Interpretation and second order construct

Foundry Insurance had a functional structure and each function had its own director who managed his own vertical area. People were located in one function and rarely concerned themselves with other functions. Within each function there were several operational departments. For example, the engineering function consisted of marketing, electrical, machinery, boilers and administration departments. Each one had its own head of departments and structure. The chief boiler engineer, chief electrical engineer and chief machinery engineer ran their department autonomously. Each department ensured its technical standards were adhered to and that the organisation responded to changes in statutory regulations related to its area of specialisation. Chief engineers often prioritised technical excellence or the resolution of a thorny technical issue above the fulfilment of day-to-day contractual commitments. Foundry Insurance maintained its functional structure and designed activities in the inspection process from within the functional structure. For instance, the organisation created a department with responsibility for setting technical standards that other operational departments had to adhere to.

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| Foundry Insurance created the inspection process from activities in the functional structure. (CTO_SOC # 6.8) |
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6.4.3 A. Conjoining first order constructs

“The guy who was responsible for underwriting didn’t make any underwriting decisions, because it was always left to the General Manager of the day ... people became responsible for the budgets, whereas before they had budgets but they were always just merely some of the expense budget. About a third budget was actually budgeted; the other two-thirds were controlled centrally so that people didn’t have any direct responsibility for things like staffing numbers and so on because ‘that was Sir’s job’. So if you wanted an extra member of staff to

replace, you had to get Sir's permission ... that would be the General Manager of the day. The code would always be that the General Manager makes all the decisions, not major decisions, all the decisions, you know, uh, if you wanted a new photocopier, he would make that decision ... that's one of the reasons why we ran into problems with our Computer Account, because we weren't charging the right premiums, and nobody had the responsibility for doing that. Sort of. 'Sir's happy, so why should we change'.

It was a very inward looking company, very sort of vertically structured. 'I've got my job, hands off. What's it gotta do with you? What's my contribution to the organisation? I don't know, but I got this job'." (Deputy Managing Director)

"The General Manager had to agree everything. You couldn't hire, fire, spend any money, without his signature. So that's all changed, and we work more on the basis, 'Let's do it and argue about it later, or not argue hopefully'.

I mean you do see people doing things that at one time they wouldn't have thought about doing on their initiative without getting approval from a supervisor or manager." (Implementation Team Member)

"We were a very much old fashioned, hierarchical type organisation, and we've seen a lot of change that people, people who sat in the same desk for 20 years, did the same thing, the same pieces of paper crossed their desk. That has changed significantly." (Customer Services Manager)

"(Foundry Insurance had experienced a) long period of, you know, 'Let me see everything before you do it'." (Engineering Manager)

"I spoke to my deputy, Colin, not long after I arrived. Colin had been with the company 43 years, not a long time actually by our company's standards ...and I said to Colin, 'Colin, when did this process last change?' This was after I'd had my walk round, and he said 'Well not in my lifetime here'." (Managing Director)

"I think the major change has been people taking ownership and responsibility for a number of tasks/functions which had always been delegated to the highest level possible before." (Deputy Managing Director)

"We then give them the responsibility back. Because over the years that's one of the things, one the other major sort of restructuring ideals is to give ... to put responsibility down, to give people ownership. That has worked." (Engineering Manager)

6.4.3 B. Interpretation and second order construct

In Foundry Insurance, the general manager took most decisions whether they were of a strategic or operational nature. The general manager took decisions relating to setting underwriting prices, agreeing staffing levels in departments and allowing them to order a new photocopy machine. Consequently, managers took few decisions in relation to running the business and had to obtain senior management approval before they acted to resolve a problem. Therefore, over time, people became inward looking with little interest in understanding their contribution to the business and being protective of their jobs. People also did not consider the need to change their job. For instance, people sat at the same desk for several years doing the same job using the same forms without any changes. Ironically, engineers and line managers took decisions that affected the public at large, e.g. when they certified the safety of a public lift; yet they could not take decisions to purchase a fax or photocopy machine. Some managers had difficulty accepting wider responsibilities, as they were accustomed to working with few responsibilities. Managers were fearful of making mistakes and they rarely took bad news to senior managers or board members. For example, Foundry Insurance began losing money on its Computer Account, yet people did not raise this with the general manager.

One consequence of the implementation of the inspection process is that line managers and team leaders have greater ownership and wider responsibilities in their jobs. Board members devolved responsibilities to appropriate managerial levels. People in each function became responsible for their activity in the inspection process.

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| Directors, managers, team leaders and clerks are responsible for their functional activities and the inspection process. (CTO_SOC # 6.9) |
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6.4.4 A. Conjoining first order constructs

“It was very much, uh, if I were doing your appraisal for your year’s work, I was instructed not to talk to you about it, so therefore behind a

piece of paper and so on, Ashley worth moving up from a 6C to a 6B. Now I've got to put a justification in so that Sir can accept it, or what have you. Um. That would go forward.” (Deputy Managing Director)

“(Appraisals were) cloak and dagger stuff behind closed doors ... they were basically, in my opinion, a lot of them were not worth the paper that they were written on. You'd get very bland standard comments that could be interpreted in three different ways. Things like 'with a little more training, this person would be a useful member of a department' ... what we're not doing by making statements of that nature is we're not identifying where the shortfalls are and what the change programme should be. By saying someone needs some more training, you're saying they can't do something because they're not skilled at doing it, and what we ought to have been doing is up front saying 'Look, we need to get you more involved and more up to speed on a particular frame and then you'd be OK.' ... to tell people that they're doing a bad job, reluctance to tell them that they are doing a good job.” (Customer Services Manager)

“It was probably more decided behind a door before and people weren't open, and they didn't say to you, if you were falling down anywhere, you were really never told ... but as I said now, the PA is far better because again, you've confronted somebody on a one to one basis and saying 'Well yes, well may be you're not doing that right. Is there anything we can do to help you do it right?' either training or whatever else. So no, that's far better, far better.” (Departmental Team Leader)

6.4.4 B. Interpretation and second order construct

The previous management team instructed managers not to talk to people they were appraising. Typically managers decided the new salary grade for an individual and then wrote an appraisal to justify the recommended increase. Managers wrote appraisal reports that were unstructured, contained bland comments, and had few facts and figures. As a result, many managers disregarded people's appraisals. Managers were reluctant to tell people that their performance had to improve in particular areas, and they were unaware of areas in which they needed to improve. Appraisal procedures changed in a way that made managers identify criterion against which people would be assessed. This changed to where line managers discuss and agree with people their appraisal criteria, which reflect the inspection process's requirements.

The board changed appraisal procedures to align appraisal criteria for functional activities and the inspection process. (CTO_SOC # 6.10)

6.4.5 A. Conjoining first order constructs

“Reward structure has perhaps not moved too much in the time period that you are talking about, and it’s still very much inter-departmental, major salary increases negotiated as a company with some latitude within each individual department.” (Customer Services Manager)

“They (financial rewards) haven’t changed. The MSF, well, for the field force - no they haven’t and that’s the majority of our wages bill was our field force. Their salaries are still negotiated by their union ... but the engineering surveyors outside and all their supervisory staff up to assistant managers, that’s one step down from me, up to that level were simply negotiated by the union. The union negotiated a 3% rise, everybody got a 3% rise.” (Engineering Manager)

6.4.5 B. Interpretation and second order construct

The board and senior managers made minor changes to the financial reward structure. Increases are negotiated with the trade union for a large number of people including engineer, clerical and supervisory staff. Each department had a very limited discretionary amount that departmental managers could distribute to people in their area. The board did not feel that they wanted to renegotiate terms with the union.

The board accepted that reward systems would not be changed. (CTO_SOC # 6.11)

6.4.6 A. Conjoining first order constructs

“Nobody told people anything. Everything in this place was a ‘need to know’. You don’t need to know, so you don’t get told. And therefore there was not enough what I would term conversation or discussion about the business, the plan, the objectives being conveyed up and down, and therefore managers were really just supervisors of functions.

I think that if people just merely do a job, don’t understand why they are doing it, or what the company objectives are, and so on, is, they will just

do a job. If that's all that's required, er, fine, but that's not what we require. That was the old culture which says 'OK, you do a job, you come in here. You do the job. You can go home. That's fine'." (Deputy Managing Director)

"When I first came to this company, there's no way that the management of the day would have departed from their offices on the first floor except once a year, perhaps at Christmas, and the second time, during the annual conferences, when they told the staff 'the state of the nation'." (Engineering Manager)

"Far more approachable. I mean, really you never saw, you know, such as on this floor, you know, your General Manager or any of them, whereas now you're quite likely to bump into them anywhere." (Departmental Team Leader)

"There are people out there, young kids who have come to me, yet I, as a young kid, wouldn't have gone to the person in this office in those days." (Engineering Manager)

"It's a much more open working relationship ...communications have vastly improved. We are far more open than we used to be." (Implementation Team Leader)

"The fact that five years ago plus, the General Manager was Mr So and So, a lot of the departments referred to each other as Mr This, Mr That, Mrs So and So, Miss." (Customer Services Manager)

"We were very formal. Formal managing directors, known as 'Mr', and called everybody else 'Mr' or 'Mrs' or 'Miss' or by their surnames ... I mean, Ken used just to go wander round areas and sit down next to people and not necessarily go to the manager of the team leader of an area, actually go and sit with individuals doing a job, and that also helped break down potential barrier of middle management as well, who perhaps, used to a traditional approach, would maybe just give messages that we were expected to give rather than a true perception of what was happening." (Implementation Team Leader)

6.4.6 B. Interpretation and second order construct

People's behaviours towards one another changed. Managers previously released information relating to the organisation's business plan and objectives on a 'need to know' basis. The views of people in the lower echelons were rarely asked for, as senior managers placed little or no value on their views. Board members communicated with people once a year at the annual

conference. Board members were rarely seen around the organisation. They spent most of their time in their offices on the first floor of the head office building. This changed in the sense that board members and senior managers are more open and communicative across the organisation. People at all levels were able to approach board members and senior managers. A number of people described the flow of information as being 'open'.

The organisation became less formal, as people referred to one another by their first name. Directors, including the managing director, walked around the organisation and spoke to people at all levels. People further down the organisation spoke directly to managers who were not their direct line report. They were encouraged to take control, make suggestions and discuss issues directly with relevant managers.

People including, board members, senior managers, team leaders and clerks, behave in an informal way with one another, are more communicative and open with each other. (CTO_SOC # 6.12)

6.4.7 A. Conjoining first order constructs

“When I first came here, which was eight years ago, there were four on-line terminals in the building and a number of personal computers ... I went into the IT Department in '88. We had one PC between us all ... and there was probably only half a dozen in the whole company at that time ... we were a very very IT illiterate organisation, six years ago.”
(Customer Services Manager)

“I mean to be quite candid, we were not IT literate people as a company. The body of people, which at the 1988/9 going through to 1991, we would be a long way behind a lot of other organisations ... they (people in the process) knew nothing about computers. Absolutely nothing about computers ... some of the surveyors, we had about 500 at the time, I think it was exactly 47 surveyors we knew had already at home, bought their own stand alone PCs and were producing their reports on PC's rather than on the typewriter. Um, we knew that. So 47 of them, we knew had quite good skills. Many of the rest had no computer skills whatsoever. So, they all had typing skills, they all had keyboard skills.”
(Engineering Manager)

“We have engineers out there in the field being used to going out inspecting and checking the plant, boilers, etc. and we used to teach them typing on a manual typewriter.” (Implementation Team Leader)

“There was the basic system that we used through Composite Insurers which was called their Stage 2 system. That’s a record keeping system of our policies and it did our renewals and accounting. That originally was a clerical interface and paper driven ... what we’ve done is we’ve now, uh, we still have the Stage 2 but front ended with EPOQ for producing the engineering policies and doing the engineering quotations. We’ve got our Report System which didn’t exist before the change, and we’ve bought the Plant database up to here from Bristol, taking it away from them, so that it can exist on our system ...well the two very new ones are the Reports one, and the EPOQ one. You might call that Plant database system a new one because although it was there at Bristol, it’s been brought up here and revamped and is our own.” (Deputy Managing Director)

6.4.7 B. Interpretation and second order construct

Foundry Insurance’s information technology capability was negligible prior to the implementation of the inspection process, as people used manual typewriters. The organisation had four on-line terminals and a few personal computers, which barely supported the previous inspection service. This service was manual, paper-based and labour intensive. People in head office and the engineers had little experience with or knowledge of computers. Foundry Insurance’s core information systems were bought from Composite Insurers. These systems were stand-alone, and supported activities undertaken to provide customers with inspection reports. For example, one system held policy records and another maintained plant records. A consequence of the stand-alone systems was that administrative clerks transferred data manually from one system to another. The new board recognised that systems needed to support the inspection process and the functional activities within it.

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| <p>The board realised that information systems needed to provide seamless support across activities that form the inspection process. (CTO_SOC # 6.13)</p> |
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6.4.8 A. Conjoining first order constructs

“There was also a vision that Ken certainly came out with, which was you know, customer service, turn round enquiries, turn round correspondence and queries, and quotations within 24 hours. So there was very much a vision set there. And everything that was being done was geared to trying to attain that vision. So I think that certainly helped.” (Implementation Team Leader)

“When Ken came out with his statement ‘We’re going to provide a 24-hour turn round’ nobody believed that was at all necessary. The culture said, well we’re as good as anybody else, that’s all that matters ... The culture said that we don’t issue a policy until we’ve inspected. That was the culture. That culture was destroyed.” (Deputy Managing Director)

“A means of focussing mainly on the customer. I think everybody in business these days has to be focussed on the customer, and we recognised this and we made initial changes three or four years ago.” (Engineering Manager)

6.4.8 B. Interpretation and second order construct

The new managing director set out a new service target: instead of the organisation taking months to issue inspection reports and insurance coverage, he wanted these to be issued to customers within 24 hours. Having set this target, the changes to the implementation process were geared to achieve it. People in the organisation did not believe that achieving such a delivery time was either possible or necessary. Nonetheless this target refocused the organisation on customers.

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| Foundry Insurance’s service target became to achieve a 24-hour turnaround of inspection reports. (CTO_SOC # 6.14) |
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6.4.9 A. Conjoining first order constructs

“I think that being focussed upon here that this was a job, was a job for life. It was a family operation, and it was quite cosy. And I think there was this lack of awareness that the world out there is quite a hectic place, and the fact that we had never suffered any need to reduce staff numbers

or anything of that nature. This little cosy world was going on ... and I think they need to understand the business, they need to understand profit and losses, the importance of doing this, the importance of service ... I think it's gone through from reacting to what the new 'Sir' says, that's (the new managing director), saying 'I don't understand why, but I've gotta to do it because he says so', through to appreciating the business, the bottom line, the customer, this is the big culture change. 'Somebody out there actually depends on me'.

I was completely destroying the old way of thinking ... the whole objective is - how do we get Mr Customer happy by dealing with his enquiry or his request there and then. If you send him a letter, can that person complete the task; why not? what IT do we have to develop; these things have to be looked at." (Deputy Managing Director)

"Prior to the change initiative, we had never had any redundancies, we were very proud that you could join Foundry Insurance, you could stay there for life.

The main focus was providing better service to our customers. And really rationalising a lot of our processes. Making them much more efficient to obtain or produce a better customer service." (Implementation Team Leader)

"How they see Foundry Insurance as a company, I think. So we've been a very patriarchal sort of organisation, and a lot of people perhaps lament that change because, in the old days - 'the good old days', some people say, don't they? In the old days, um, you knew where you were, you came here at 16 and knew you could work through to 60 or 65 and then get a pension and whatever." (Implementation Team Member)

"Instead of lots of people dealing with something, in every case one person is going to deal with it, and it will be their responsibility and they'll be empowered to do it.' Now I spelled all of this out for our managers, and at the end of the presentation, you could have heard a pin drop. And from the back of the room someone said 'Hans Christian Anderson - fairy tales'. Now I never did discover who it was but he's not with us any more." (Managing Director)

6.4.9 B. Interpretation and second order construct

People, at all levels of the organisation, held a number of assumptions about the organisation. They assumed that they had a job for life. The organisation had never reduced the number of people working in the organisation nor had anyone ever been made redundant. People assumed that

provided they followed the instructions of their line managers they would remain secure in their job.

Whereas the board wanted people at all levels to realise that they no longer had a job for life within Foundry Insurance. This was a fundamental change for those people who typically joined at age 16 and left at retirement. People also changed their assumption that their activity could be performed in the same way without reference to external customers. The managing director wanted people to be responsible for satisfying customers and this required one person to be responsible for completing a task rather than having several people involved, of which no single individual had responsibility for the task. People became aware of the external environment, especially the importance of customer service and its effects upon profitability.

Foundry Insurance's board recognised prevailing operational assumptions were untenable and changed them to align with the redesigned inspection process. (CTO_SOC # 6.15)

6.4.10 A. Conjoining first order constructs

“This company having been, if you like, led by (the previous general manager) who, if you like, led from the top, i.e. he controlled the budget, he controlled the purse strings. But really what he did was he tried to run the company just by himself. And people just carried out functions.” (Deputy Managing Director)

“Rather than it be every five minutes, you know, ‘What are you doing’, ‘Why are you spending this’, ‘What are you doing there’... where the previous regime had been ‘Can’t you share a piece here between four of you?’ It was minding the pennies, and ‘don’t spend this’, ‘Do you really need to do that?’”(Customer Services Manager)

6.4.10 B. Interpretation and second order construct

The previous general manager and senior managers did not share financial and hence, operational control with line managers. The previous general managers and senior managers expected line managers in the

organisation to justify virtually every item of expenditure. The focus was upon controlling costs and line managers dealing with customers shared resources rather than having the resources necessary to satisfy customers. The previous general manager continued to control costs and to pay little heed to the effects of reducing costs upon customer service until his retirement.

In Foundry Insurance, the previous management team did not accept that greater emphasis needed to be placed on customer service than upon controlling costs. (CTO_SOC # 6.16)

6.4.11 A. Conjoining first order constructs

“One of the big taboos, and I can remember the old General Manager, the man who used to appear twice a year in an annual conference or a meeting we had upstairs; when somebody asked him about the investment income, he was nearly banished overseas. You don’t talk about investment income.” (Engineering Manager)

“Previously people were starved of what you would term facts and figures. A departmental manager never knew how he was really doing according to his budget, unless either he kept his own personal records, or every now and again sort of quarterly, somebody would float out some figures as recorded somewhere of ‘This is what it is; now would you tell me if we’re still going to hit the target at the end of the year?’ And that was only a bit of it.” (Deputy Managing Director)

6.4.11 B. Interpretation and second order construct

The previous general manager expected people to do their job without asking questions related to financial and operational performance information. Line managers were not given basic information about their department’s performance against budget. Some line managers kept their own records to estimate whether or not they were within budget. People at all levels were not expected to ask for financial and operational information and those who did ask were treated as outcasts.

The previous board did not accept that operational assumptions such as withholding information actually needed to change. (CTO_SOC # 6.17)

6.4.12 A. Conjoining first order constructs

“Another example, I was trying to introduce a new computer system which conveyed revenue account information for the first time to NV by premiums and claims information, and I said this statistical package that our parent company had been using for years, we ought to have, because it will help the underwriters underwrite. The No. 2 at that time said ‘That’s nothing to do with the underwriters, the General Manager sets the rates’ and that again is the psychology of it all, is that it was not your job, it was his job. And he was quite benign in his despot of misery ... (the go-betweens) could almost say to the General Manager - ‘I think this is a good idea/I don’t it’s good idea’ and he can get the blame and the other guy is not running his department because he’s having to refer upwards all the time ... I can recall because I found that fascinating, because I find myself making certain decisions without Sir’s approval - not that he disapproved but it was the culture. You referred matters to there. I remember I was supposed, on certain other topics, go through a colleague because it was his job to take these things to the General Manager for approval. I always turned round and said ‘Oh, sorry I forgot again’, simply because I didn’t want to be bogged down by going through him ... and even at one stage when that guy left, I suddenly had the same responsibility - that colleagues were supposed to come to me for authorisation for additional staff or replacements and so on, and I would convey them to the General Manager. And I killed that off fairly quickly because all I was acting was a go-between, almost a mini-power-house.” (Deputy Managing Director)

“In the old days, we used to have an O & M Division who would go round and help document procedures, and it could take a year to get the agreement of each divisional head to the very smallest changes because were looking at ‘This is my area and I don’t want that to happen, so, sort of, on your bike’. Nowadays people very much work a lot closer together and take an over company view rather than ‘This is my patch, I’m going to dictate what goes on in it’.” (Implementation Team Leader)

6.4.12 B. Interpretation and second order construct

The previous board discouraged line managers from taking decisions or improving particular activities. The board expected line managers to refer their requests to a more senior manager in the hierarchy, until the request reached the

general manager. Consequently, a tier of 'go-betweens' was created. These people relayed line managers' requests to the general manager for authorisation, and affected operational decisions and managers' performance. These go-betweens took no responsibility for the decisions they influenced. The previous board also allowed functional directors to determine whether changes were implemented in their functions. Each director took their own time to agree changes to activities in their area, and could reject changes without providing any justification for their decision.

The previous management team did not accept that people's responsibilities should extend beyond their immediate job or be collaborative across hierarchy and function. (CTO_SOC # 6.18)

6.4.13 A. Conjoining first order constructs

"So there's this greater awareness. There's also that awareness of effect of increased premiums or increased claims. What would that do for the bottom line, so that it's recognised that it that's going wrong, you may have to cut back on expenses because you're under target so take some costs off here. So there's that much, much greater awareness than ever existed before at all levels ... we started telling people where money was being spent. We produced figures which were never produced before for the senior management of the organisation. And for the management. Every departmental manager now gets details of his budget expenses." (Deputy Managing Director)

"We need to understand all those (financial figures) not only as an individual but as what the real company targets are. The fact that I've got to do the job with one person and not two, is because there's a good financial reason for doing that to keep the expenses down." (Line Manager)

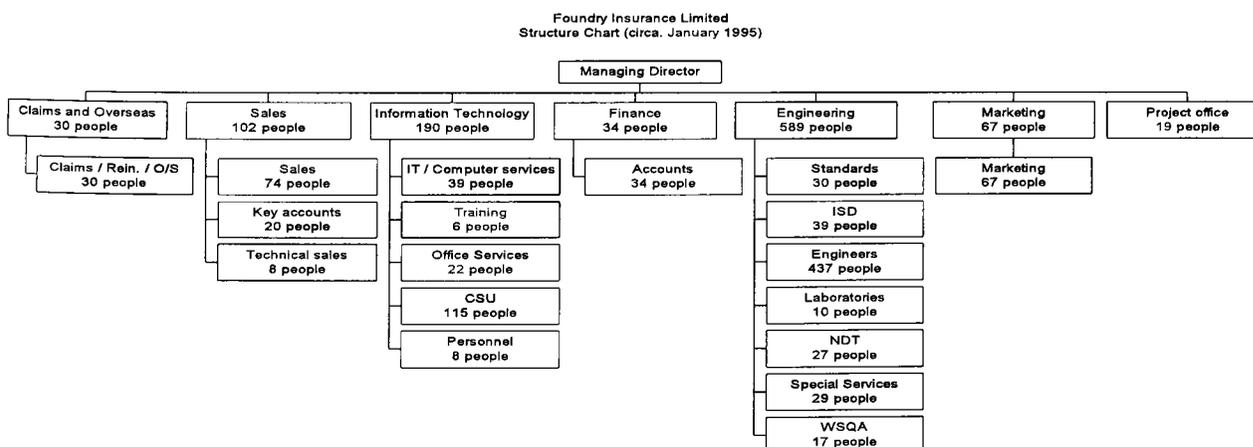
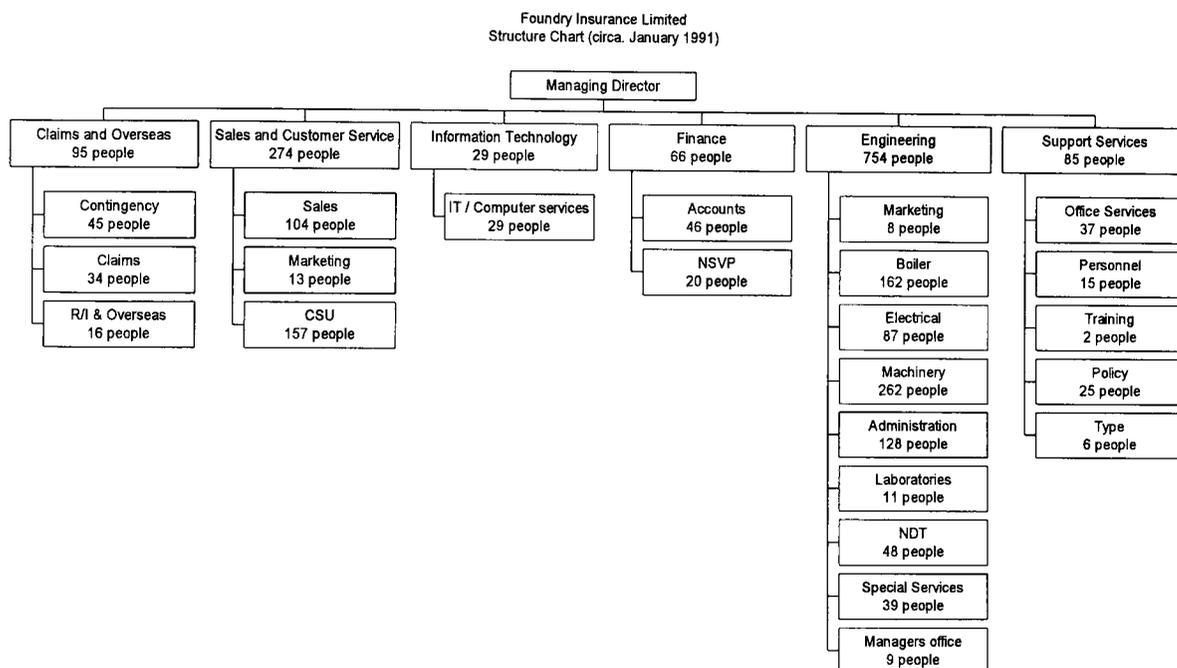
6.4.13 B. Interpretation and second order construct

The new board accepted that people should have financial and operational performance information. They wanted people at all levels to be aware of the effects of increases in premiums or greater claims on the bottom line. The organisation began providing detailed financial and operational

information for the senior managers and departmental managers. Having such information made these managers aware of the impact of decisions taken in the inspection process, e.g. price changes and resource cutbacks upon customer service and profitability.

Foundry Insurance's new managing director and board members accepted that line managers should actually have financial and operational information. (CTO_SOC # 6.19)

6.4.14 A. Conjoining first order constructs



“You have to start at the top levels, managers had to learn the skills of genuinely managing the department, managing and operating within budgets, managing within service level requirements, managing people, relating to colleagues ... managers have had to learn to start managing ... most of the senior people were more acting as supervisors of their

teams rather than managers of their teams. So although they may have a responsibility, it was a responsibility for carrying out a function rather than managing the function.” (Deputy Managing Director)

“Certainly the way we worked was very different, because my appointment, instead of in charge of a particular project, I reported direct to the Managing Director, and at the time, I was Assistant Manager Level, and that sort of thing was really unheard of within the organisation. They were very traditional narrow approach.” (Implementation Team Leader)

“Fred Wilson is now responsible for three areas that he wasn’t before. So that started the channel - all the interface with the customer through one executive, instead of having this constant interplay. ‘We can’t afford to have different operating groups reporting through different executives’.” (Implementation Team Member)

“If you take (the Deputy Managing Director) as an example. At that time, he was probably just in charge of IT. He then ended up having responsibilities, and being executive for services - which is (the IT manager’s) area. Also the services of the group, which like look after the buildings as well as IT. And really his area has grown a lot.” (Implementation Team Leader)

6.4.14 B. Interpretation and second order construct

The organisation changed in structure: a marketing function was created, support services was absorbed into the IT function, and customer services department was transferred to the IT function. The number of people reporting to the engineering director fell from 754 in 1991 to 589 in 1995; in the same time period, the number of people reporting to the director responsible for sales and customer service fell from 274 to 102; during the same period the numbers reporting to the IT director increased from 29 to 190. Board members and managers acted like supervisors of their function rather than managers of their function. They saw little need to change their function or department. Senior managers had to learn skills in order to manage and change their department. Managers were affected by changes in reporting lines and responsibilities, for example they reported directly to the managing director.

Directors and senior managers were affected by the changes, as the organisation structure and the number of people reporting to them changed, in some cases, significantly. (CTO_SOC # 6.20).

6.4.15 A. Conjoining first order constructs

“All they saw were redundancies, was very specifically to say we were not going to do it by compulsory redundancies, but we would encourage voluntary redundancies. So if people felt they didn’t want to play, or for whatever reason they’d like to leave, we encouraged them by that means.” (Deputy Managing Director)

“When the voluntary redundancies came along, which wasn’t long afterwards, ‘Well yes that’s not for me, so I’ll go’. But at least (the managing director) set out a style that he wanted and it was up to individuals then to choose, wasn’t it. Those who chose to do something different, well they took redundancy or left.” (Implementation Team Member)

Number of employees in 1991: 1303

Number of employees in 1995: 1031

(Source: Foundry Insurance structure chart)

6.4.15 B. Interpretation and second order construct

The board reduced the head count in the organisation by 20% over a four-year period. They did this through voluntary redundancies rather than compulsory redundancies. People were asked to consider whether they wanted to experience the changes, and those who felt the changes were not for them were encouraged to take voluntary redundancy.

The board was willing to reduce the number of people employed by the organisation. (CTO_SOC # 6.21)

6.4.16 A. Conjoining first order constructs

“Yes, as I say the budget was always centrally capped. Now in terms of the way we spend our money and how managers are aware of what’s happening; they have their budgets, they help set them. They have

information to help them monitor it. They have feedback mechanisms to say why it may be varying and so on. And all this again aimed at setting a target for the year of ‘This is our bottom line target aim, and we’re going to start from January onwards and see how we get there’. As for example, last year, mid-year, we realised that we’d slightly overspent on certain things, therefore we needed to adjust. We made the adjustments and came in reasonably OK at the end of the year ... Every departmental manager now gets details of his budget expenses, his budget, and what he has spent, and also has to keep saying ‘Are we still on target? Are we likely to spend more? Are we likely to spend less? So there’s a constant ‘now’ review of expenditure. Managers, as a result of this, have become aware of the role of expenses.” (Deputy Managing Director)

“So to be part of the planning of the process, and to put down the budget behind those plans, then you know, you’re responsible for it at the end of the day, and you cannot manipulate, and I think its just how the job should be.” (Customer Services Manager)

6.4.16 B. Interpretation and second order construct

Managers set their own budgets and submitted these to the board. The board provided managers with financial information that enabled them to monitor their budgets and respond to budget variances. The board adjusted budgets proactively, across the process, during the year rather than after a financial deadline. The board and managers took ownership of the business as a whole and the inspection process. Managers became accountable for meeting their budgets as well as achieving better levels of customer service.

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| Foundry Insurance’s board devolved control over budgets to senior managers who in turn, took responsibility to develop and operate their own budgets. (CTO_SOC # 6.22) |
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F3_6.5 Issues managed

6.5.1 A and 6.5.1 B are located in the body of Chapter 6.

6.5.2 A. Conjoining first order constructs

“Of the top ten managers, only two still are with us, and as you go down the levels, it’s not dissimilar. The average age of our management team fell about fifteen years in the space of about twelve months. So an awful lot of people left who had been with us an awfully long time.”
(Managing Director)

“We’ve had members of the executive team depart. Two or three on retirement, well, probably four on retirement at least, one of those due to a work pressure sort of retirement, another who decided he couldn’t play with the new regime.” (Deputy Managing Director)

6.5.2 B. Interpretation and second order construct

Several members of the senior management team either took early retirement or resigned. These retirements and resignations presented the managing director with an opportunity to restructure the board and to recruit board members from outside the organisation and promote from within. The people recruited to senior management positions were younger than the people they replaced, and the average age of the management team fell significantly in a short period of time.

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| Board members retired or resigned, and the board was restructured with new board members appointed from outside or promoted from within the organisation. (IM_SOC # 6.24) |
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6.5.3 A. Conjoining first order constructs

“Now my vision was, if we could actually get back the valuable difference, if we can get to the point where our people merely added value, we would release absolutely enormous potential within the

organisation. There was a goldmine there waiting to be exploited ... Now for most of our major processes our cycle times literally ran in months. But as the key processes were analysed, what you found was that the added value, the valuable difference bit was actually a minuscule part of the total, less than 1%, well under 1% ... I felt we had to define a crystal clear internal vision of where we wanted to go. Where did we want our business to actually be positioned? And were did we want to take it as an organisation?" (Managing Director)

"There was also a vision that (the new managing director) certainly came out with, which was you know, customer service, turn round enquiries, turn round correspondence and queries, and quotations within 24 hours. So there was very much a vision set there. And everything that was being done was geared to trying to attain that vision. So I think that certainly helped." (Implementation Team Leader)

"Whereas (the managing director) was saying 'Well there's more to it than that, we've got to recognise where we're trying to go, how we're trying to get there, the whole picture, and 'you' have got to do it ... this is what we're going to do about risk management, this is what we're going to do about the expenses, and for everybody to be 'Yes, we agree' rather than, er, 'Well I don't want to cut my expenses here. I'm hoping he will. No it's not our pigeon, it's his'. Then you have the next levels of managers translating that and using it in a way of creating a certain amount of conflict, unnecessary conflict ... I think it's critical because if the top team doesn't work well together then it's impossible to ask the rest of the organisation to be working together, because they will see division. If somebody sees it that way, and somebody sees it that way, and therefore we need to be collective in our viewpoint ... get the top team collectively, and agreeing collectively, they don't have to all totally agree with everything. Somebody's going to say 'You're going to have to cut the half a million in your area' is OK except inevitably it goes forward ... We started at exec. levels. You've gotta start leading, setting the tone, doing things, setting budgets and so on, and appreciating you've got a contribution to play as part of the totality ... once you've got people to start understanding that perhaps your role in the organisation was a little wider than just producing policies for yourselves, as it were, then a little more education, so you needed to talking to people, to manage them in the sense of what it is that they are really about is being part of the process." (Deputy Managing Director)

6.5.3 B. Interpretation and second order construct

The new managing director developed a vision he termed 'the valuable difference', which focused upon adding value to customers. The vision, which was new to the organisation, set out the service target of delivering reports and

policies to customers within 24 hours. The managing director explained his vision to people at all levels of the business to ensure they had a common understanding of the vision. He wanted board members to consider the inspection process in its totality rather than focussing upon their individual function. The managing director and the board discussed and agreed the targets to be achieved by the inspection process. This agreement enabled board members to work together during the implementation of the inspection process. Consequently, senior managers were unable to exploit differences between board members. However, not all board members agreed to place the inspection process ahead of their function. The managing director explained to board members and managers that while each of them managed their particular function or department, they also contributed to achieving and maintaining the inspection process's performance. It was no longer acceptable for functional managers to optimise their function's activities to the detriment of the inspection process.

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| The board agreed a new vision and objectives for the organisation. (IM_SOC # 6.25) |
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6.5.4 A. Conjoining first order constructs

“I don't want this to sound awfully macho or bloody, but I'm afraid there was a pretty high attrition rate within the organisation.” (Managing Director)

“There have been a few people who have not liked the changes and not particularly in the technical area, but in other areas who've fallen by the wayside, and have actually left, and they weren't committed. They didn't want the change, 'This isn't how we used to do it' sort of thing, 'We don't want a change', couldn't see what was wrong.” (Engineering Manager)

6.5.4 B. Interpretation and second order construct

A number of people left the organisation, as they were unable to accept the changes brought about by the implementation of the inspection process.

People left the organisation because they did not accept the proposed changes.
(IM_SOC # 6.26)

6.5.5 A. Conjoining first order constructs

“People need to understand why. I think it will help if they understand why.” (Deputy Managing Director)

“Understanding the objectives, is another one. What is that we’re actually trying to do? And getting everybody to understand what those objectives are, as a corporate body rather than a hundred sets of individual views. If you can actually understand what the objectives and the benefits are, why we’re doing something, it’s easy to sell it to everybody, and to get them on board.

We’ve been so used to doing things in the dark, behind closed doors, and then there’s been turmoil, ‘What are we doing this for?’ If we can get that broad understanding of the objectives and benefits up front within everybody, then the acceptance of the change - they can see why we’re doing it, they can see what we want to do, what we want to achieve.” (Customer Services Manager)

“I mean that, from personal experience, somebody could tell me something’s happening. If I didn’t know why, or understand why it was happening, then you can have resentment building up again, frustration; people feeling that they’re not valued. You know, ‘the organisation isn’t valued enough to tell us why something’s going on’.” (Implementation Team Leader)

6.5.5 B. Interpretation and second order construct

The board and senior managers explained the organisation’s vision and objectives to people at all levels within the inspection process. The board and senior managers accepted that people wanted to know, for example, why the changes were necessary, what the board and senior managers were going to do, what benefits were anticipated. They recognised that decisions taken behind closed doors and not shared with people in the inspection process would result in personal turmoil, resistance to proposed changes, fear and anxiety. For many managers and staff, having board members and managers explain the organisation’s vision and objectives was a fundamental change from the way in

which the previous board treated them, which was to keep people in the dark about changes.

The board and managers accepted that people wanted to know about the changes due to take place and they became more open with this information. (IM_SOC # 6.27)

6.5.6 A. Conjoining first order constructs

“I think they (people in the inspection process) need to understand the business, they need to understand profit and losses, the importance of doing this, the importance of service. If you don’t provide a service, you’ll lose business.

Thinking of how they were going to run the business, how they were going to spend the money, and to be able to answer the why’s and wherefore’s and to justify them.

We went into proper budgeting where everybody became involved from the executives down to the managers in particular. So that they themselves had to justify what they were doing.” (Deputy Managing Director)

“But now we do, and we’re open and up front with it, and it’s showed in the business figures. So we are a lot more open about how the company is because we want to bring people along. If the company’s not profitable, you haven’t got a job.” (Engineering Manager)

“If they’re involved, if they feel part of it, it’s their business, their process, their company, their profit, to feel part of it they can contribute, they’re not just sat there in the dark as a bunch of people or numbers of whatever.” (Customer Services Manager)

6.5.6 B. Interpretation and second order construct

The board wanted senior managers to know about the organisation’s financial performance and service levels provided to customers. Senior managers recognised and accepted that people reporting to them had a ‘right to know’ why they were being asked to change their working practices. Senior managers ensured people felt motivated and valued during the transition by providing them with relevant financial and operational information.

The managing director gave senior managers actual profit and loss information. The board made managers responsible for their budgets. Managers, for the first time, set their own budgets and took responsibility for the budgets they set. Line managers developed plans and justified these through discussions with board members and peers. Managers understood the effects of poor service levels upon profitability, and that service level improvement depended upon their actions.

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| Board members shared financial information and devolved budgetary responsibility to managers. (IM_SOC # 6.28) |
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6.5.7 A. Conjoining first order constructs

“Because people were, with this IT information you see, we knew where people were. In the past they’d say ‘No, I’m busy, I’ve got this to do and that to do’, and we didn’t know whether they had or whether they hadn’t. And what they’d been doing was spinning out the work that they had got, rather than getting on with it, doing it this week and leaving themselves a week or a fortnight clear when they could do that.” (Engineering Manager)

“We need to communicate, ‘Yeah, well I’ll tell you when you need to know, but I need to know costs here’ because there has always been the sense that it happened with (the previous general manager). As long as I know everything, that’s the main thing, so you tell me, I won’t necessarily tell you, but I know everything.” (Deputy Managing Director)

6.5.7 B. Interpretation and second order construct

Senior managers and line managers, such as team leaders, received better operational information. For example, engineering managers were unaware of the sites engineers visited on a particular day. As a result, engineers were able to obscure the true state of overdue inspections in their district. The managing director and implementation teams ensured managers received the information they required for managing the inspection process. Managers designed reports to format the information in ways that were relevant to them.

Managers have operational information required to manage the inspection process. (IM_SOC # 6.29)

6.5.8 A. Conjoining first order constructs

“I should say that two way communication is more important. You can write a lot down, you can produce videos or whatever, but it doesn’t give the opportunity for feedback, and certainly from experience, face-to-face in smaller groups is the most effective form of communication. And people ... it’s a basic human need I think to feel involved, to know what’s happening.” (Implementation Team Leader)

“We have the people at the higher level now coming down talking to the staff ... (the engineering director) spoke to all the staff ... to allay fears, to help people, see the way through - mainly to allay fears, for the opportunity to question and to talk. That was all unheard of before. It was a question of ‘This is what we’re going to do. We know best. Never ask the staff’. So now it’s more the bottom fed situation where people are asked to contribute ... I can remember standing in front of the surveyors and trying to say ‘Look, don’t have a go at me, because if you’ve got no work, I’ve got no work. We’re trying to do it together, I value your opinion, and I’m telling you about investment income, for example. I’m being honest with you - this is how much money we get from these large clients, this is how much money we get from the small clients. Don’t worry too much about the small clients. You can lose a hundred small clients, but you lose one big one - you’ve lost more money’. Being open with people and telling them, you know, what the consequences of their actions were ... I’m saying to the surveyors, ‘You know, we’re all in the same team together’. That’s what I’m saying, that we’ve got to be committed.” (Engineering Manager)

“So I think, getting people to understand at all levels what’s going on, getting managers in particular to understand their role and their contribution within the total picture is going to be a lot better, and they can only do some of that by discussion.” (Deputy Managing Director)

6.5.8 B. Interpretation and second order construct

The board and senior managers communicated the vision, objectives and financial and operational performance information to people at all levels. These communications were carried out using a variety of modes. Face-to-face

communications in small groups is considered one of the more effective modes of conveying information relevant to the changes that are to take place and the issues will be implemented. This mode allows people to feedback their comments and to discuss specific issues with board members and senior managers. Board members used face-to-face communications to allay people's fears about the changes. They recognised that without people's support, implementation would not be achieved.

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| Board members were willing to communicate with people on a face-to-face basis, in small groups. (IM_SOC # 6.30) |
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6.5.9 A. Conjoining first order constructs

“Our customers - clearly we had to win back their confidence and we had to get them back to a frame of mind where we would be their first choice.” (Managing Director)

“Realisation by the staff that the company had to change and had to increase productivity, get the cost down to stay in business. And that was taken on board ... people realised that if they didn't change, the jobs would go. They could begin to see, and even more so now, they could begin to see the loss of work ... they could see that the competition was taking their work, so they in the field could see that or begin to see that ... we communicated this message, that we have got to improve productivity and get the costs down, otherwise there's no work for anybody and it's this team.

The surveyors have a trade union and they know that some of the companies were making people redundant, and that's not happened here, except a few who volunteered ... so there is a certain amount of fear, it's all wrapped up in the same thing - fear and security and so on, and the realisation of what you've got to do in today's world to stay alive, is the issue. It all keeps coming back to that same thing.” (Engineering Manager)

“Instil this appreciation that everything out there is changing and we've got to be very commercial. We've got to be very with it, otherwise we're dead. And I don't think people initially believed it. But I think that they now understand that we weren't doing what it is that we should be doing ... it's critical in helping people understand why changes need to take place. I think that sometimes, and you know, you can actually cringe, and I know (the managing director) has actually done this with

the staff, is when he says 'I followed this case through'. It's only when you explain that to people, 'Now this is what it looks like', that people think, 'That's not very good, is it?' But they have never realised it, because they have never looked outwards, they always looked inwards ... it's 'why do we need to reduce our staff numbers?' Well if you don't explain it to them and it's part of the business that our expense bottom line is too high, therefore it makes us less competitive which means we may not get as much business, which means we will go backwards rather than forwards. People can understand that and even most clerks can understand it ...this world is a world that they all know in their own personal budgeting circumstances, you can't spend more than that, or Mr. McCauber 6p Profit Elation, 6p Negative Depression." (Deputy Managing Director)

6.5.9 B. Interpretation and second order construct

The board's communication of the organisation's vision had a commercial edge that made people aware of changing customer demands, higher competitive pressures, financial losses and the effects of these upon staff and their employment prospects with the organisation. People realised that the vision required them to be externally focused. The board ensured people understood the implications of the information they were receiving, namely that their job was at risk. Board members provided managers, team leaders and clerks with common and consistent message about the proposed changes. Consequently, people developed a shared outlook of the organisation's future and the implications of not implementing the inspection process. They recognised the effects of external changes upon them, e.g. competitors making their employees compulsorily redundant, even though these very competitors were taking business away from Foundry Insurance. They accepted that to not change towards the new vision would result eventually in job losses.

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| People in the organisation received consistent messages about external pressures facing the organisation and the need to implement the inspection process. (IM_SOC # 6.31) |
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6.5.10 A. Conjoining first order constructs

“So we went out to talk to our customers. We got in an external consultancy, and they wrote a voluminous report, it ran to 500 pages when they had finished; 17 major areas were looked, Service Record, Quality, Value Added. You name it, they looked at it. The results were absolutely and utterly dismal, they were dreadful. Out of all the points in the report, there was only one thing where we scored anything approaching a satisfactory rating, and that was the technical excellence of our people. There was not doubt in the market place, our people technically were good. Our problem was everything else surrounding them was abysmal. And that was having a major impact on our business.” (Managing Director)

“‘My job is to do this’. I can quote a guy who was in charge of the policy department. He’s the guy who produces the policies, head of the typing pool and so on. When somebody wanted a policy as a matter of priority, he was very upset because it upset his scheme of things. ‘Here’s my pile of priorities, and I’ll work through this pile, now you want this one. Now that’s very upsetting because that’s going to put this one back’ ... then when you actually play this back to people. ‘This is how we deal with our customers’, people go ‘Gosh, it’s us’, and nobody fully realises, and managers didn’t realise that this was happening.” (Deputy Managing Director)

6.5.10 B. Interpretation and second order construct

Foundry Insurance commissioned an external consultancy organisation to conduct a survey of its customers. The survey covered a wide range of service issues such as Foundry Insurance’s service quality, service record, technical ability and the value of the overall service. The survey results revealed that Foundry Insurance fell below customer expectations on all aspects of service bar one: the excellent technical abilities of its engineers. Foundry Insurance’s pricing was at the top end of the market, and customers accepted these higher prices because of their long-standing relationship and the technical expertise they received. However, adverse economic conditions in the late 80’s and early 90’s forced many customers to become sensitive to service levels and price. Customers were also unwilling to tolerate overdue inspections and delays in having reports sent to them. These delays were due to people being internally

focussed. The board gave people customer feedback so that they realised, for themselves, the effects their performance had on service levels.

The board commissioned a survey and the results revealed that customers' expectations were not being satisfied and gave people, in the organisation, customer feedback about the quality of service customers received. (IM_SOC # 6.32)

6.5.11 A. Conjoining first order constructs

“Well I think in a less formal organisation again, individuals who were doing the work, who were closest to the customer, who probably have an awful lot to offer in terms of ideas, suggestions, feel more able to contribute. So I think it aided the flow of information with suggestions and ideas ... I think also it helps individuals in an organisation as well ... you don't get the same positive result if you are dictating to people. If people feel they've been involved in that change process, then they're going to make sure it works. They've had the opportunity to contribute and shape their future effectively. If you have someone on higher saying 'We're going to be doing this', then with poor communication as well, you might get compliance but you will lose great opportunities for the development of the organisation.” (Implementation Team Leader)

“I think getting engineers and clerical staff to contribute helps them, it motivates them, they feel valued, they feel part of the organisation. Their opinions, their attitudes are discussed, considered, taking into account. They can contribute and ... if you look at the contrary to that - they're just sat there in the dark being passed pieces of paper, not knowing why they are doing something. They don't understand the function, they don't understand why they're doing it, what they're doing it for, and really it just becomes a routine, mundane.” (Customer Services Manager)

6.5.11 B. Interpretation and second order construct

The new managing director began sharing information, and consequently other board members and managers began changing their behaviour, as they too shared information. Board members and managers shared information to ensure people at lower levels of the hierarchy felt that they too were an integral part of the implementation of the inspection process. The board recognised that people

at lower levels, especially those that came into contact with customers, e.g. engineers and administration clerks, had much to offer and contribute to the organisations future direction. The board wanted these people to own the business and it's objectives. Board members recognised that a major barrier to gaining their support was providing information to them on a 'need to know basis'.

Board members and senior managers recognised that people at lower levels of the organisation, e.g. engineering and clerical levels, are important to the organisation's future. (IM_SOC # 6.33)

6.5.12 A. Conjoining first order constructs

“Redundancy, the voluntary redundancy situation. Um, if we had known that roles were definitely not going to be needed, I think we could have managed it probably more effectively from the organisation's point of view by a compulsory redundancy or by voluntary. It sounds a bit awful, that, but what has tended to happen is that individual ... good individuals who could probably have done with staying and helping shape our future, have taken the opportunity to move elsewhere. So we've lost some people that would have been very useful for us ... were doing the right thing and letting people go voluntarily, and we're still in that situation. We haven't had any compulsory redundancies. So whilst individuals have benefited from that, I think, organisationally, we've lost some good people but perhaps we needn't have done. And rather than turn round and say 'No, we don't want you to go on voluntary redundancy, we want you to stay and help, to help us for the future', we've perhaps been a bit too understanding from that point but then again, I mean, that's sort of a double-edged sword, because if someone came and asked for it and we refused, what motivation are they going to have anyway, when they've obviously planned their future on as well.”
(Implementation Team Leader)

“So a lot of people have left and I think we have to accept that not all of them were the right people to leave. Some of them had a lot of knowledge and expertise tied up in their heads, and they've been allowed to leave and mistakes have been made I think.” (Implementation Team Member)

“If you look at the people that were here then, who are here now, it's totally different ... we have to work very carefully with the union over

this, because they don't like us thinking we're reducing numbers and thinking redundancies if we're recruiting ... people worrying about their jobs - 'Well if I don't keep checking these things, well that's half my work gone' ... I suspect behind it is this fear of job reduction. So there's this reluctance to keep simplifying the process or eradicating certain steps, or getting rid of unnecessary activities ... I think that actually applies at the middle level management, because they don't like to be the hard hearted people." (Deputy Managing Director)

6.5.12 B. Interpretation and second order construct

People in Foundry Insurance assumed they had a job for life. However, the board reduced the number of employees by 20% in the space of 4 years (1991-1995). Employee turnover during this period was very high with several hundred people being replaced. The board knew that employees and the trade union would resist actions taken to make people redundant on one hand, while recruiting on the other hand. The board relied on two mechanisms to reduce numbers of employees. One, by allowing staff at or nearing retirement age to take early retirement. Two, the organisation introduced a voluntary redundancy scheme, as this route was less harsh than making people compulsorily redundant. However, the voluntary redundancy scheme was announced and introduced prior to defining roles needed in the inspection process. A number of 'good' people and experts took voluntary redundancy and left. The board introduced the voluntary redundancy scheme early, as they were under pressure to reduce costs quickly. This pressure overshadowed the potential loss of good people. The board and senior managers recognised that the fear of job reductions prevented people from being fully committed to the inspection process in spite of introducing a 'no compulsory redundancy' policy. Managers had never previously made people redundant, and as most people had worked together for a considerable time, managers found severing personal ties difficult.

The board introduced early retirement and voluntary redundancy schemes to reduce costs quickly and avoid trade union conflicts, but lost some 'good' people. (IM_SOC # 6.34)

6.5.13 A. Conjoining first order constructs

“Somebody had a sort of breakdown, couldn’t continue, and that was because there wasn’t enough time for him to develop himself, to catch up as it were. He was suddenly being asked to do things that we hadn’t prepared him for. It was a company issue, not a (managing director related) issue.

We have created stress by a lot of the change. Now stress is not just merely hard work, but I think stress is also occasioned by interfaces with people. I can create stress on people but being unreasonable with them in the sense of ‘Don’t tell me your problems, just deliver’. ‘I’m not going to give you the resources but just deliver’ or whatever it is and not helping people handle the stress ... I think if you are causing so much change, if you don’t understand it, you’re causing change, or you’re causing people a lot of uncertainty or anxiety, you don’t recognise it, then you can be creating extra stress, and are you going to get the best out of people, both in the way of loyalty, support ... ‘OK I know you’re doing your best, I’ve given you 16 jobs, it’s unreasonable of me to expect you to do all 16 jobs. Let’s sort out which are the important ones so you don’t feel zapped by it’. ... sometimes we can be very unreasonable in our demands because we maybe demanded upon and all we’re doing is sort of shoving it down the line.

I think from that point of view, if one of my people can’t come to me saying ‘Can you give me a hand, I can’t cope with the load, or can you help me with the priorities?’ I’m sure you can come to an agreement. When a person feels they can’t do that, therefore you’re not helping to manage their stress, and therefore they may either not turn in, or they’re going to try and ... I think there’s also a realisation or has to be a realisation that you can only expect people to do so much. And if you don’t share it with them, they’re going to suffer. ‘I can’t satisfy him, I’m doing my best. I can’t do more than that.’ And if you don’t have some dialogue, then I think somebody could suffer ... or alternatively, we’re feeling it and we’re not talking about it. Management of stress is important because I think it gets the end result. It helps build that team approach which says ‘OK I understand, perhaps I was being unreasonable’.” (Deputy Managing Director)

“I mean again, I think as human beings you get to a situation where you’re comfortable - a change can sometimes be seen as a threat. So you hear a whisper about ‘moving premises’ for example, which is one that has been going around for a while. You know, ‘If we’re going to move, how will that affect me? How will that affect my lifestyle?’. It’s very natural for people to worry about change. And what we try and do by managing that situation is to minimise the stress, the worry, the concern that people can or might be facing.” (Implementation Team Leader)

“Keep people on board and have them on board with us all the way through, we can see why we need to change. There’s no fear in it though because a lot the changes that we’ve done in the past we’ve done without the knowledge, consultation, and it develops this feeling of fear, worry, insecurity. So now we’ve got this understanding up front that people know what it is that we’re doing, and why we’re trying to do it, then we remove that kind of problem.” (Customer Services Manager)

6.5.13 B. Interpretation and second order construct

Board members did not realise, at first, the level of stress people experienced during the implementation of the inspection process. People were given responsibilities but were unprepared for achieving what had been asked of them. This culminated in one person suffering a nervous breakdown. This person’s trauma heightened board members and senior managers awareness that the implementation of the inspection process causes people to feel a high degree of stress as they took on additional implementor and recipient roles concurrently with taking on new working responsibilities, changing working practices and personal relationships. People also felt uncertainty and anxiety about their personal future.

Board members and managers attempted to support people in order to reduce their fears, anxieties and stress levels. They achieved this by recognising when they were making unreasonable demands on implementation team members and recipients changing priorities, managing rumours, and consulting with people in the organisation through face-to-face communications. For some board members and managers this required a change in their own behaviour.

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| Board members and managers recognised and attempted to reduce people’s fears, anxieties and stress levels by changing their own behaviour and by supporting people through the implementation. (IM_SOC # 6.35) |
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6.5.14 A. Conjoining first order constructs

“It’s a one-to-one, it’s give them the opportunity of questioning me. It’s gives me the opportunity of questioning them, and it gives us both the

opportunity of discussing where we feel that that person's place is and their performance criteria at the time. So on the people issues, big step forward." (Customer Services Manager)

"Whereas under like My-Plan, it's far better because you can say to somebody 'Well you know, what do you think?' And really if you're giving them chance to air their views, then really you're learning probably from one another, because, as I say, you might have totally assessed a person wrong, when you then speak person." (Departmental Team Leader)

"Now the annual appraisal - those facts of course were presented rather than 'how are you doing?' It's 'well, this is how you are doing'. So it was turned round ... so they understood then where we were coming from ... we had the information to present to them, rather than them tell us everything was hunky dorey, up to date, etc. We couldn't prove it wasn't ... Now we can, we can. That was the main thing. The appraisal of a surveyor - the actual reporting is probably one of ten characters of how we appraise surveyors. You know, it's their attitude - we go out with them, we look at them whilst they're doing certain inspections, that's part of the appraisal. We see how their manner is with certain clients, we see how they dress, we see the content of their reports, the correct use of English." (Engineering Manager)

6.5.14 B. Interpretation and second order construct

Board members, managers and team leaders, who appraise others, enter into a dialogue with appraisees. Board members, managers, and team leaders appraise people who report to them on a one-to-one basis. Appraisal meetings are semi-structured and individuals discuss their contribution to the inspection process, potential strengths and weaknesses, training needs and successes. Line managers and individuals have information relevant to each individual's contribution to the inspection process prior to the appraisal meeting. For example, in the past, line managers had little information on engineers' performance, and engineers had no criteria against which they knew their performance would be measured. However, line managers and engineers agree assessment criteria at appraisal meetings. These criteria are aligned to the requirements of the inspection process.

The organisation introduced a personal development plan called My-Plan. Each employee has his or her own My-Plan, which is completed and

signed as an integral part of the appraisal meeting. My-Plan records the individual's assessment criteria, responsibilities and activities, and duties to be carried out. These are related to the department's objectives as part of the inspection process and key personal, operational and performance objectives including actions, performance measures, training needs and completion dates. Hence individuals know the basis upon which they will be assessed the following year.

People aligned appraisal criteria to the inspection process and made the annual appraisal meeting discursive. (IM_SOC # 6.36)

6.5.15 A. Conjoining first order constructs

“I remember when (the new managing director) came in to see me when he was introduced by the previous General Manager, he said to me ‘What are your problems?’ and I said, ‘Our problem is overdue inspections. That’s what causing this company to get a bad name in the market, particularly in the property market’. And he asked me what we were doing about it. And we’ve done several things. The property market in London was a major problem ... and we couldn’t afford at that time to put people in London because they couldn’t afford the housing. So we introduced, what we called ‘satellite working’. So we managed our way out of that by getting people from all over the country on convenient commuter lines, say Liverpool to London, Manchester to London, the north-east down to London, and we put these people up in an hotel where we negotiated a decent price, and gave them two weeks or a month’s work in London as their responsibility, and that worked. We were told first of all, when we first started people were sceptical, didn’t want to go. But after a while, because we made it comfortable for them; we sent them in pairs and the like, they actually found it somewhat of a holiday.” (Engineering Manager)

“He (the new managing director) looked at things, he did a walkabout of the company and he saw things taking place, and he said ‘Well why did we do that?’ and some answers were, ‘Well we’ve always done that’, ‘Well you know, what’s wrong - it takes three months to issue a policy, so what’, you know, ‘That’s the industry standard’, but from where he was looking from a different plain altogether, he looked at it and probably thought to himself, well ‘It shouldn’t take more than a couple of days to do that, why on earth does it take three months?’” (Implementation Team Member)

“I took our simplest policy one morning and I went to one of our managers, and I said ‘Tom, I’d like you to walk me round the building. I want you to show me what goes on in terms of this particular policy’, and this was worth £75 to us, we charged the customer £75. It took us all morning to walk round the building. We went from department to department, we ended up going to ten different departments in all. There were 43 separate activities or steps within the process and 30 people were involved, and this was all for our simplest policy.” (Managing Director)

6.5.15 B. Interpretation and second order construct

The new managing director behaved differently in comparison to previous general managers. For instance, previous general managers rarely walked around the building or spoke to people other than their direct reports, whereas the new managing director spoke to everyone. He enquired from managers and clerks what they thought the problems were in their department and in other parts of the organisation. He asked departmental managers for potential solutions to their departments problems. He demonstrated that these discussions were important to him and that he took them seriously, by attempting to resolve, albeit temporarily, the major problem of overdue returns. The new managing director found out about operational aspects of the inspection process. He asked people, at all levels, why they did certain activities. No previous general manager had asked people about their job. The managing director listened to people’s reasons for doing a particular task but did not always accept their reasons.

The managing director was willing to find out about the previous inspection service and to lead the implementation of the inspection process. (IM_SOC # 6.37)

6.5.16 A. Conjoining first order constructs

“When (the new managing director) came in on Day One, he said ‘My name’s Ken, you call me Ken’. Well that had never been heard of before

and Ken has been responsible for a lot of cultural and physical change as well.” (Customer Services Manager)

“We had three dining rooms, and various sittings, depending on what status you were, and traditional English management, or British management ... we have the restaurant facilities have been upgraded and everybody is uses it no matter what status you are. We do have a room upstairs for visitors that people can book and use.” (Implementation Team Leader)

“We had three levels of dining - we had the staff canteen, we had the Managers’ Dining Area and the Executive Level, now we’ve just got the one.

If you wanted a new pencil, to quote an example - if you wanted a new pencil, you had to hand your old one in to get a new one, because everything had to be accounted for, and there were only so many pencils allocated.” (Implementation Team Member)

6.5.16 B. Interpretation and second order construct

The new managing director instilled a degree of informality throughout the organisation. For instance, he stopped referring to people by their title and began using first names. The new managing director also loosened many controls, which created a high degree of rigidity in the organisation. One manager recounted the way in which senior managers controlled stationery. In a bid by the previous management team to minimise costs, people had to hand in used pencils before they could get a new one, so that each pencil was accounted for. The new managing director also reduced the number of dining rooms for people in different levels of the organisation, not only to reduce costs but also to breakdown hierarchical barriers between people.

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| <p>The managing director made symbolic changes to bring people together. (IM_SOC # 6.38)</p> |
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6.5.17 A. Conjoining first order constructs

“Now I’m in the position of being responsible for not just the lifting/crane men, but all the men, lifting, crane, boiler and the electrical surveyors from the contractual point of view.” (Engineering Manager)

“You could have jobs through from sort of Clerk (Basic), Clerk (Semi-skilled), Clerk (Skilled), Clerk, Senior Clerk, through to Assistant Supervisor, Supervisor, Assistant Superintendent, Superintendent, in order just to keep nudging people’s money up. Therefore creating a hierarchy of that nature ... we had managers and group managers, and then we had the executive. What we’re trying to do is finish off with group managers ... we revised the structure to get rid of the multiplicity of grades ... we actually went to the extreme and said ‘Why don’t we have one?’ That causes problems with the union negotiations but we finished up with three ... it was interesting that as I had a hand to play in that in the last year or so, I actually thought that we might finish up with five grades, and even, I was going to say, six months or so ago, somebody might have argued ‘Well perhaps that’s too few’- and finish up with three.” (Deputy Managing Director)

“We’ve moved activities round, put tasks together, breaking down the barriers between different divisions and departments. We’ve never been able to do that in the past ... similar service functions together, or people servicing the same customer base together into the operations environment ... things that were separate and reported to the different executive members, and this is why I referred to earlier as being the hierarchical, columnar type structure ... so what we’ve now done is, we’ve put the engineer surveyor type environment, the operations, with the customer service sales and the account teams together under the same umbrella, and now we’re going to really look into integrating those people so that they work collectively as a team, servicing a customer stream, rather than all having a responsibility on that customer, but individually operating.” (Customer Services Manager)

“We were all part of, like one technical department and so much of it was, you know, divided up, and so much of it went to Customer Services Unit ... we had about nine levels from a clerical level up to managing director, ... so we were very traditional and very hierarchical.” (Implementation Team Leader)

6.5.17 B. Interpretation and second order construct

The board questioned the need for as many hierarchical levels in the organisation. They were unconvinced that the nine levels that existed were

necessary. The board considered having only one level below managers, but decided against this, as a single level would cause problems with the trade union. The board reduced the number of levels below managers from nine to five. The board introduced the role of a team leader. This level absorbed a number of previous levels such as supervisors, assistant supervisors, superintendents and assistant superintendents. The new structure has three levels below management: team leaders, team members and clerical support. Team leaders report to managers and they report to executives on the board.

The board's willingness to question the organisation structure was a major departure from the past. Many managers were surprised that the board reduced the hierarchy. The inspection process required activities to move from one function to another. The board aligned the vertical structure with the inspection process, as activities moved from one function to another, rather than maintaining the structure and reporting lines. For example, within the engineering function there were three departmental managers: the chief boiler manager, the chief electrical manager and the chief machinery manager. Each manager had his own area of responsibility and functional experts reporting into him. Each chief manager was also responsible for the technical standards and operational aspects of their function. The chief boiler manager had 162 people, the chief electrical manager had 87 and the chief machinery manager had 262 people reporting into each manager. The managing director made one manager responsible for all three departments. Technical standards were taken out of each department and consolidated under another manager in the revised structure.

The board also created a separate customer services unit for dealing with new business. The engineering function that traditionally dealt with new business focused upon existing business. The board located the customer services unit in Manchester. This unit performed administrative activities centrally for all customers. The board recruited people for this unit from Foundry Insurance's branches. The result of centralising the administration was 17 of Foundry Insurance's branches were closed. Customer services unit grew from a concept in 1990 to 300 people by 1992. As new information systems

were developed, the numbers within this unit fell, and by early 1995, the unit had 115 staff.

The board reduced the number of levels in the hierarchy, merged and created departments to align the functional structure with the inspection process. (IM_SOC # 6.39)

6.5.18 A. Conjoining first order constructs

“We were going to get the right people doing the right things in the right places, and not wait Buggins turn to get there.” (Deputy Managing Director)

“Opportunities to move and develop were very much ‘dead men’s shoes’, people retiring. There wasn’t a lot of opportunity to cross departments.” (Implementation Team Leader)

“There are lot more younger people are being promoted to manager jobs ... today we had four women there, you know, and two of them were in their twenties - unheard of in Foundry Insurance five years ago. You had to be, you know, fifty odd and have worked here for years and know all about insurance, and engineering, or one or the other, to have any chance at all. But now people, graduates are coming along and learning about the business side in a couple of years.” (Implementation Team Member)

6.5.18 B. Interpretation and second order construct

The board reversed the long-standing practice of promoting people on the basis of ‘dead men’s shoes’. They appointed the right people to particular jobs based upon the individual’s performance. The board promoted younger people and women to management positions, which previously had been extremely rare in the organisation.

The board promoted people on the basis of their performance rather than length of service. (IM_SOC # 6.40)

6.5.19 A. Conjoining first order constructs

“So we had the drive ... it was strange, he’s (the managing director) driving it to us, for people to take responsibilities on board, so that people would then be coming forward with ideas to him, or suggestions or ‘This is how we can do this and how we can do that’ ... (senior managers) their job wasn’t to change anything, their job was to manage it. Now that really arose at all levels. I think that many people just thought of - that was all they had to do ... you see talk to them about ‘Do you know what’s taking place in you department. Do you know how you’re dealing with people? Are you focussed on the customer?’ ... so there’s a whole change there we needed to get across from the Exec. downwards, to consider our place in the world, our responsibilities, our roles, how we should be communicating, and how we get the next level to change, and not start keeping running everything here and I was going to say, not practising what was being preached ... I think as soon as senior managers realised that people weren’t making decisions at the right levels it changed a number of perspectives.” (Deputy Managing Director)

“Managers used to be in my mind, and I’ve used this a few times, the first line of prediction in this company. They didn’t manage it mind you. They were as much involved with the day-to-day business in the business process, in the business issues as everybody else in the department, and the manager tended to get the hard ones, the big ones or whatever, or the interesting ones. So we realised and we started to change and get people to manage rather than be involved too much with the day-to-day business.” (Customer Services Manager)

6.5.19 B. Interpretation and second order construct

The managing director convinced other board members to relinquish day-to-day operational responsibilities and to devolve these down to the next level of management. The managing director recognised that board members responsibilities were limited to maintaining the status quo in their function, and that this had to change whereby they improved and changed their function. The board asked managers to question their existing responsibilities and determine whether or not they knew what actually happened in their function. Board members and managers accepted that they could not continue to control all aspects of their department and that they had to widen and deepen the responsibilities of people below them. Board members and senior managers

realised that decisions were not taken at appropriate levels within the organisation.

The board devolved operational responsibility for the inspection process to managers below them in the hierarchy. (IM_SOC # 6.41)

6.5.20 A. Conjoining first order constructs

“We came over here and dealt with the clients, whereas we’d just been dealing with the internal surveyors ... I suppose they can still bring perhaps a little bit of old habits with them. You know, we’re still like a little bit of the old boiler department.” (Departmental Team Leader)

“If you don’t have commitment then you have compliance, and you might have malicious compliance, or reluctant compliance, which would be a barrier to any organisation.” (Implementation Team Leader)

“Rather than just, ‘I’ve got responsibility with control of 100 people’. Eventually going to help them direct them, I’m going to give them managers to take on board the responsibilities, ... I’ve got to delegate more, I’ve got to identify issues, training ... I’m going to monitor you until you get there.” (Deputy Managing Director)

6.5.20 B. Interpretation and second order construct

The board recognised that functional specialists needed to accept new responsibilities. The board and senior managers recognised that managers, engineers and clerks could not be forced to take on greater responsibilities unless they themselves wanted to do so. The board wanted people to commit to their responsibilities and they recognised that pressurising people would result in them complying with instructions. They wanted managers, engineers and team leaders to accept that their understanding of the wider aspects of the inspection process was important, and to realise that their activity could no longer be managed or performed in isolation of other activities in the inspection process. Functional specialists took on a wider range of responsibilities, e.g. people who dealt only with internal people began dealing with external customers as well. The board struck a balance between supporting people through accepting an

increase or reduction in their responsibilities and ensuring people were taking on the new responsibilities by monitoring individuals and their take up of the new responsibilities.

Managers took responsibility for the inspection process, and cascaded this responsibility to team leaders and engineers. (IM_SOC # 6.42)

6.5.21 A. Conjoining first order constructs

“We suddenly realised that people weren’t trained, and needed training, or were only trained in some things but not in the rest of it ... engineers, technical engineers in the field force ... learned they needed to be commercial with [their skills], and that servicing the client was equally important ... and individuals at the workforce level were having to take on additional knowledge skills because they were just focussed on some small aspect of the work, and my job is to put this code over here and send it on to the next person. Without questioning ‘well I wonder what I was doing that for. But now I can do this as well’.” (Deputy Managing Director)

“People that were formerly underwriters have been on marketing courses and got diplomas. A lot of IT, professional IT training going on, Open University’s, MBA’s, Business Studies ... for individuals, I think there is much, much more opportunity, to develop personally and to have a much more varied career within Foundry Insurance.” (Implementation Team Leader)

“So training is all preparatory work, it’s putting somebody in the best possible position to tackle whatever it is that we’re asking them to do with the best prospects of success. If we’re not prepared for it, then no matter how difficult the task is, particularly on the more complex things, then we’re going to fail. We need to be prepared ... we’ve developed multi-skilled people.” (Customer Services Manager)

“We have more customer skills, you know, customer care skills, really, in dealing with clients and ... because obviously they’re there and they’re answering phones to the client, whereas probably four years ago they might not have had the same contact with the client.” (Departmental Team Leader)

6.5.21 B. Interpretation and second order construct

Previously, people specialised in their functional area and developed their knowledge and skills within their department. The board realised that people had little or no formal training and, as a result their skills were outdated. The board provided people at all levels with extensive training. People were trained to understand the inspection process and their responsibilities within it; for example, engineers and administration clerks were trained to be more commercially astute. People, starting with board members and senior managers, learnt to understand and manage wider aspects of the inspection process. Functional experts, such as the engineers realised that being sensitive to customer needs was as important as their highly regarded skills and technical knowledge. Board members and managers consciously set out to broaden people's skills. People move across different functions, which rarely happened prior to the implementation of the inspection process. Board members encouraged people to develop a wide range of skills and knowledge, so that they had better career prospects in the organisation.

The board provided people at all levels with substantial training to broaden their range of skills; board members learnt new skills and convinced managers to learn new skills, and managers convinced team leaders to do the same. (IM_SOC # 6.43)

6.5.22 A. Conjoining first order constructs

“A realisation that we had to invest in IT in order to enable us to simplify the processes. And to provide the service.” (Deputy Managing Director)

“But when we went to the Board and said ‘We want to increase our spend from £2 million to approach £5 million’ in 1991, I have to say, it wasn't a very good time to do this, because at the time Composite Insurance Group was just about to declare the biggest ever loss by a private company in this country of (nearly £500 million). I went along

with my begging bowl and said 'I'd actually like to more than double our IT budget'.

The surveyor reporting software, for engineers, because that was actually a bit of creative swiping on our part. It was something that had been done for (another multinational organisation) in a different context, and we took that piece of software, and said to an external software house 'Please refine this in this way for us'. So they did that and they continued to develop that package which was called 'Flexiforms' for us." (Managing Director)

"The realisation again, by the staff, that we were prepared to invest in the future by introducing the IT. We did dabble with IT some years ago, and we pulled back because it was a problem. But this time we went in and we came from picking up the rear to the leader." (Engineering Manager)

6.5.22 B. Interpretation and second order construct

Foundry Insurance's board accepted that the organisation had out dated systems. The managing director more than doubled the IT budget from £2 million to £5 million per annum. People across the process realised that the board was serious about upgrading the systems and that they would not back away from implementation. The board used a mix of package software, but also tailored applications specifically to meet the needs of the inspection process.

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| The board invested substantial amounts of resources in new systems, including some bespoke applications. (IM_SOC # 6.44) |
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6.5.23 A. Conjoining first order constructs

"We've bought the plant database up to here from Bristol, taking it away from them, so that it can exist on our system." (Deputy Managing Director)

"We got rid of the Bristol database as it was called, and transferred it onto our Monitor System in Manchester here, and that operates broadly the same as it did. We did have before terminals in here which we could access direct to Bristol. Well, OK, quite good in fact, but now we have our Monitor database in here which is absolutely superb." (Engineering Manager)

6.5.23 B. Interpretation and second order construct

The plant database was on Composite Insurers systems in Bristol, as Composite's IT function was located there. Foundry Insurance, based in Manchester, had little day-to-day contact with the group's IT function based in Bristol. Foundry Insurance had no control over the formats of reports and outputs nor the schedule for the production of reports. Foundry Insurance had to fit into the prioritisation allocated to them by the group's IT function. Foundry Insurance insourced this database so that they controlled it.

Foundry Insurance insourced the plant database, from Composite Insurer's IT function, thereby bringing its systems under its own control. (IM_SOC # 6.45)

6.5.24 A. Conjoining first order constructs

"We went to the (group's) IT people and we said 'What we need are actually three major systems. We need them very quickly - nine months, at most a year and we can't afford to pay you an enormous amount of money. We can pay you a fair bit more but not an enormous amount of money'. Now the problem I found is, it's not really legacy systems, it's the legacy of the systems. It's the legacy of the people that inhabit these data centres. And they said 'No, we think about 75 man years, we think about 3 years to deliver', and there were too many noughts on the end for our liking. We said 'Well, no thank you and goodbye'. And we decided to do it from scratch." (Managing Director)

"What (being made responsible for IT only) did was make me focus on the IT that we were going to deliver, because of the change, we were going to do the IT this time instead of outsiders." (Deputy Managing Director)

6.5.24 B. Interpretation and second order construct

Foundry Insurance approached the group's IT function to develop the systems required to support the inspection process. However, the IT function were unable to match Foundry Insurance's timescales or cost constraints. The organisation decided to develop the systems itself and made a senior manager responsible for delivering the new systems.

Foundry Insurance developed the systems required to support the inspection process at less expense and in a shorter period of time by managing the development themselves rather than relying on Composite Insurer's IT function. (IM_SOC # 6.46).

6.5.25 A. Conjoining first order constructs

“We went into a significant training programme. We spent a lot of time on those guys. A week's training course with a team of 10 people on the course, with two trainers doing four courses a week. There was an acceptance/pass criteria ... (the changes) would not have worked had we not gone into the training programme and the support that we put into that ... everybody was offered the opportunity of coming back for more whether it be on a team basis, or on a one to one; we had people specifically trained to do the one to one's who'd perhaps be a bit more sympathetic and understanding and not pushy, and the peer pressure was taken away ... so we went into some depth on the preparation of the people for that one.” (Customer Services Manager)

“We then introduced the Reporting System, and our surveyors all spent a week in here. They were issued with their PCs; spent a week's training, and went away and the following week, started to ..I mean we did this over a period of six months training, about 20 a week ... (Engineers) were brought in here and trained on how to receive the information from Head Office down the line, how to use a modem, receive information from Head Office to produce a report, to complete that report, to archive it as we say, which then transmits it back down the modem to Head Office.” (Engineering Manager)

6.5.25 B. Interpretation and second order construct

Most people in Foundry Insurance were 'IT illiterate' at the beginning of the implementation of the inspection process. The organisation invested in training people, from directors to clerks, to use the new systems. The training and IT departments developed the training programme in-house in conjunction with the software suppliers. Training was targeted to users' needs, for example, as engineers worked remotely, they learnt to uplift and download information. The training was timed so that people used what they learnt immediately. In

spite of the training given to engineers many experienced difficulties when using the systems on their own. People were trained in groups and could ask for one-on-one assistance. The management team provided personalised support by people who were knowledgeable about the systems. Training was planned to be iterative and not a one off event. The trainers set a pass/fail criteria, which made it challenging for users, as not all people passed the test

Engineers and other system users were willing to learn to operate the systems, and their aptitude to use the systems was tested. (IM_SOC # 6.47)

6.5.26 A. Conjoining first order constructs

“And to underpin the inspection service we were going to use IT. Now the point is ... we sorted out the business first, we sorted out the processes second, the IT came a very poor third.” (Managing Director)

“We’d have tried to be more sophisticated or embracing and dealt with the issues ‘why are we doing that’, and so that we can get rid of that, let’s get rid of that, can we alternate that and save the work.” (Deputy Managing Director)

“Getting the ownership of the system, making sure that we actually understand the business requirements.” (Customer Services Manager)

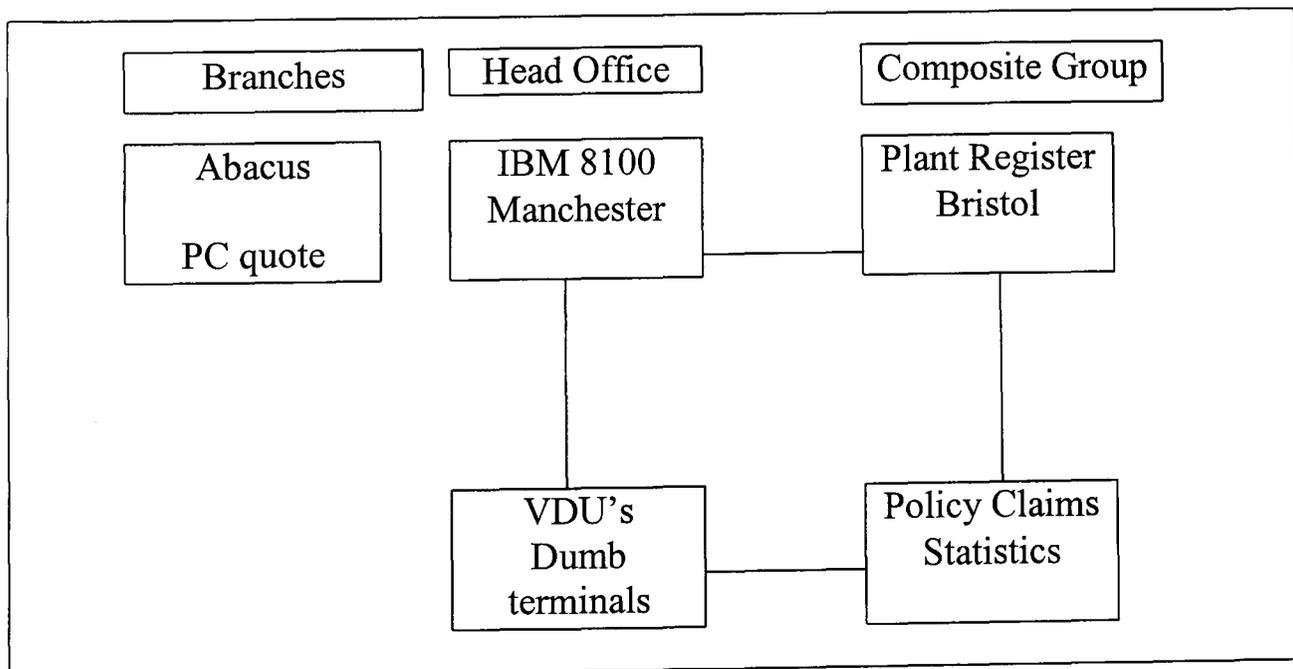


Figure A: Systems configuration prior to the inspection process

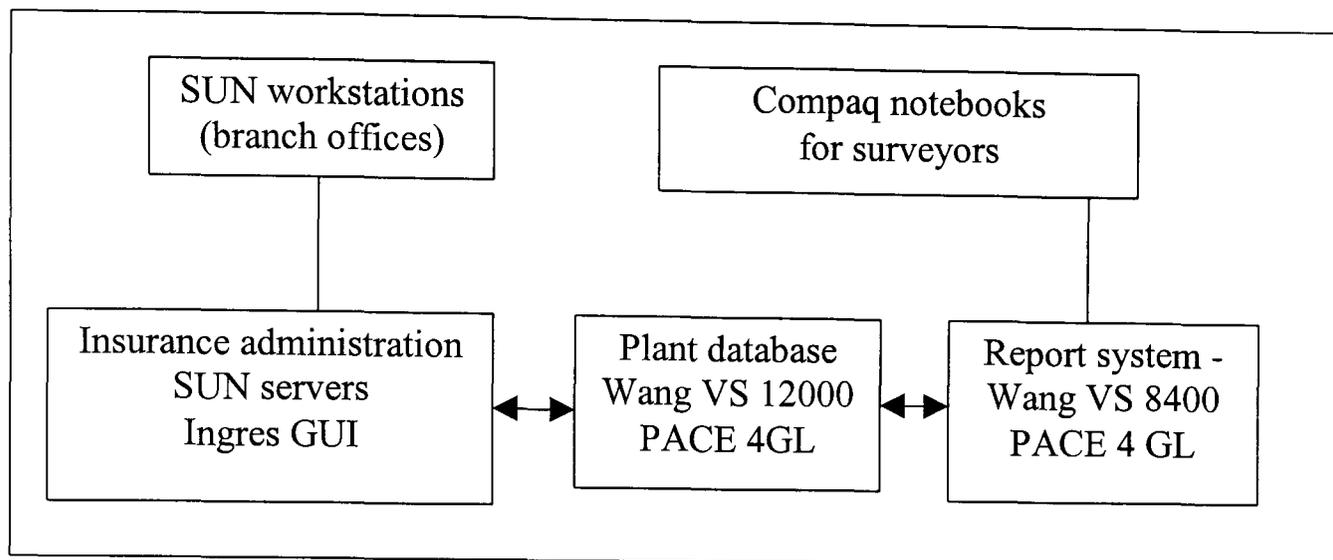


Figure B: Systems configuration to support the inspection process (Source: presentation made by managing director at Cranfield's 4th annual BPR symposium)

6.5.26 B. Interpretation and second order construct

The managing director and board refocused Foundry Insurance's business objectives to improve customer service levels and control costs, prior to designing and implementing the new information systems. The board, senior managers and users simplified and redesigned activities in the inspection process and used this to determine the future business requirements to be supported by the information systems.

The board implemented systems to support the inspection process. (IM_SOC # 6.48)

6.5.27 A. Conjoining first order constructs

"We needed the IT facilities, and we needed them quickly. They had to be managed, because otherwise, er, if you like, track record on IT deliveries tend to sort expand with time quite handily, and forget there's business objective ... it's like the managing director would say, 'Yes well, I think that project should only take three months', and you believe it takes six - your best estimate. But you appreciated the objective was to do it quickly. Not necessarily whether it was going to be in three or six

months, but do it quickly ... needed that sort of very strong drive from the top in order to achieve it ... we have to get there and target for the right, you've got a target to go for, we're going to try and implement it by then ... but if we had gone along with the sort of, uh, well we'll develop it for when it's ready, then the danger was, it could have taken a lot longer ... (we tried) to not let too many people actually try to modify the system to their own liking which is the hardest part of all, I think ... it needed to drive to stop people slowing it down, with the best of intentions: 'What we really need is this as well as a bit of this', 'That doesn't deal with everything and we could do with another report form'." (Deputy Managing Director)

"Well first of all, it really has supported a very very clear business strategy. We had a crystal clear view of what it was we wanted to apply. We applied the 80/20 rule ruthlessly to every aspect of our business ... every time those teams came back and said 'Well, just can't be done - we cannot meet these targets that you've set'; we would say 'Well just change the process so that you can' ... the new system, nine people, built in nine months. It replaced the one that had taken three years and a year to pilot ... they are all big systems, believe me, were developed in about nine months, with about nine or ten people on each team." (Managing Director)

"We can't do everything and let's get people focussed, and I was able to work the team that way to enable that delivery to take place ... we delivered our projects quickly, because we didn't waste time in a lot of justification, and we had people who would make decisions and say 'OK, do it' ... that was good for the team, because they weren't hanging, they weren't waiting, there wasn't a lot of deliberation, the speculation as to 'should we, shouldn't we?' and that sort of thing ... some people were not capable of understanding; the systems are not ideal in every way, shape and form. The cost of development - 80% of your costs go to 20% of the system, so you put 80% into 20% of the cost. 'But it doesn't do X, Y and Z' - 'Yes, well we know that, but we don't know if it will go through ... delivered something, they could then have modified it, changed it, improved it, but they'd actually have delivered something. They may have only done 80%, but they'd have done something'." (Customer Services Manager)

6.5.27 B. Interpretation and second order construct

The managing director set demanding targets for the implementation teams to achieve. The managing director and IT manager considered whether the systems should be developed and introduced sequentially or simultaneously. They recognised that Foundry Insurance needed the systems quickly and

decided to implement the three systems simultaneously. The managing director and IT manager monitored the implementation schedule closely, as they were aware that late deliveries would have an adverse affect on implementation. The board prevented systems requirements from being continuously expanded or modified. The managing director and IT manager focussed implementation teams' activities and prioritised systems changes, as the organisation did not have sufficient resources to deliver each and every user requirement. They prioritised work so essential elements of the system were delivered on time so that 80% of the benefits from the system were derived quickly. The board accepted that while the system would not be ideal, achieving 80% was sufficient to support the inspection process and gain benefits from its implementation. The IT implementation teams developed the systems in modules, and once they delivered a part of the system it was modified and improved.

The managing director and IT manager set tight deadlines for implementation teams, and prioritised systems, which were developed in modules. (IM_SOC # 6.49)

6.5.28 A. Conjoining first order constructs

“We did it ourselves. And the way we did it was, we looked at our problem areas, we broke that down into sub areas, and then we looked at who should be involved in sorting out those activities.” (Managing Director)

“He (the managing director) and the teams realised that the inspection process could not be refined but needed a total revamp ... my motto is - what stops A from doing it all, and then saying, OK we have to work with certain steps... the whole endeavour is really to try to treat the workforce as valuable useful people and not just merely shovers of paper and doing the odd things, but people who are going to be doing a useful job and hopefully being sufficient challenge in it to find that it's rather interesting, rather just be dull, boring, ‘I go there to earn my ...get some money’ and go home.” (Deputy Managing Director)

“We had a one stop shop vision, where an individual dealing with a case, dealing with a client would be able to do everything for them; rather than people being passed along the line, or rather than a piece of paper being passed along. So it was really a quick, efficient service. One person only

issued the transaction - the interface with the client, and as I say, improving the quality of that advice, reducing the number of people, the number of activities involved.” (Implementation Team Leader)

6.5.28 B. Interpretation and second order construct

Board members and managers designed the inspection process. They used the ‘valuable difference’ vision as a guide to identify the activities that should be co-ordinated in the inspection process. They designed the inspection process on the basis of minimising the number of activities and questioned why, for example, certain activities took 43 steps and passed across up to 30 pairs of hands. They examined the scenario in which one person dealt with every aspect of satisfying customers, rather than several people being involved.

Board members and managers designed the inspection process after questioning existing operational assumptions. (IM_SOC # 6.50)

6.5.29 A. Conjoining first order constructs

“So I think as an organisation we had to wake up to market forces that hitherto we hadn’t been exposed to. The IT arena is very sort of cut throat and very aggressive and people, good people, are in great demand, and highly attractive to other organisations. So we had to actually break away from our traditional reward system, and cater for this new breed of people that we’d not been used to working with.” (Implementation Team Leader)

“We had Foundry Insurance people, we had managing contractors involved, we had people Composite Insurers involved, we had training people involved ... my development team and the Reports Project comprised of the IT Department, software house, users. And that was the team. Very important to have the users involved.” (Customer Services Manager)

“The teams were small and were always kept small, and they were mixed teams and they were always led by people from the business. Didn’t matter that they had no IT experience, and we said above all we wanted speed of result.

And effectively we said, the people who've got most to gain by changing the process, we'll put them in charge of redesigning the process.” (Managing Director)

“We put in three systems, two of which were, well both were managed by me and under the IT, another one was run by another individual who had a totally different reporting relationship. And, in hindsight, if I were able to change anything, I'd have had that under the same umbrella. We might not have made so many mistakes - we certainly wouldn't have made one of them. Technical side - we might have done, but hopefully we might have had the chance to ask the questions ourselves. That's one of the things I would change.” (Deputy Managing Director)

6.5.29 B. Interpretation and second order construct

The board created implementation teams to develop and install the information systems. The implementation teams consisted of people from operational areas such as engineers, line managers and clerks as well as external software contractors and IT specialists from Foundry Insurance's parent company. The managing director recruited IT experts externally as Foundry Insurance's IT department lacked relevant skills. The reward systems were changed to attract good quality IT personnel. The managing director and key members of the board decided team membership. They chose people who had the most to gain from the implementation of the inspection process.

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| Foundry Insurance's board members created IT implementation teams with people from different departments and external support. (IM_SOC # 6.51) |
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6.5.30 A. Conjoining first order constructs

“Giving those with most to gain responsibility (for implementing the information systems), meant that in fact relatively junior people in many instances were put in charge of these projects, and they had some relatively senior people within those project groups effectively reporting to them. That caused a lot of difficulty for us as an organisation.” (Managing Director)

“The teamwork aspect - working as a team. ... we were given the tasks, we were given the ownership responsibility, the accountability to go for

it, and that was very gratifying to people like myself and my team.”
(Customer Services Manager)

“If an individual is asked to go and do something, and every step of the way the person is checked upon. It slows the process down, it reduces confidence, it creates frustration. If people have a defined role or an area, and said ‘Go and do this’ or ‘Develop this product’, and they’re left to get on with it, then they are motivated, things happen much faster as well. So it helps individual development and development of whatever area people are working on.” (Implementation Team Leader)

6.5.30 B. Interpretation and second order construct

The managing director gave the teams a mandate to design and install the information systems quickly. The board made team members jointly responsible for creating and implementing the inspection process. The managing director removed obstacles such as conflicting priorities and inadequate resources. The board reset priorities as implementation unfolded. The board took decisions quickly so that the implementation teams continued to achieve the inspection process.

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| Line managers and implementation team members took responsibility for implementing the inspection process. (IM_SOC # 6.52) |
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6.5.31 A. Conjoining first order constructs

“So that support when the times were going badly, for the support to be shown visibly and publicly, as well as the good times, was also very good for the team ... well I think, um, when things are going bad, the flack starts to fly quite heavily, and nobody makes these problems ... you don’t go out and design the problems, and it’s very demoralising and demotivating when these things happen. So it’s nice for the people to have a bit of boost by saying ‘Yeah, we understand. We expect these things to happen from time to time’, ‘Mistakes are made’, ‘Things go wrong’ ... we take those opportunities to learn and put them right. And I think just a few bits of intervention of words and a bit of support goes a long way. It’s like telling somebody ‘You’ve done a good job’ to help in the morale of the people, the motivation, the attitude ... a recognition and the fact that it is a corporate plan, it has got the support of the company, it’s not just an insular activity. It’s leading in the direction that

we want to go, and when the times get tough, it's nice to have that bit of support, because you do have tough times in these situations.” (Customer Services Manager)

“The other thing that we did was, we backed those people (implementation team members) to the hilt.” (Managing Director)

6.5.31 B. Interpretation and second order construct

The board and managers supported implementation teams when they encountered difficulties and delays during implementation. Projects often ran behind schedule, as the managing director set very tight deadlines. The board recognised that team members felt demoralised and demotivated when things went wrong; and that they needed to be encouraged and motivated to continue implementation.

Board members and managers provided implementation teams with support, especially when things were not going according to plan. (IM_SOC # 6.53)

6.5.32 A. Conjoining first order constructs

“User involvement has been another major issue. ... Getting the ownership of the system, making sure that we actually understand the business requirements, because I'm afraid we've done that without user involvement. Systems were implemented - 'It's not what we want' ... now the users have a main role to play in making sure that the requirements that have been specified are correct, 'It is what we want to do, not what somebody else thinks we ought to do' ... (their involvement) also keeps them (users) on board that they are part of the development ... it gets the ownership of the system working properly, so when the system becomes to be implemented into the department, 'Here we go, we've been waiting for this' and they can take to it much more positively than they would have done.

If there were problems, they thought it would be ideal. They couldn't understand that errors can be made ... one of the problems that we have here - this may only be a minor point - is that we are very good at creating user expectation, and our user workforce is very good at nailing the IT Department to the ground in terms of delivery dates. So the management of expectation could be better. 'How long is it going to take you to develop this system?' 'Three months'. 'Right, so a week on

- 30th July, we'll have it, will we?' And if it's not there, 'Why haven't we got it?' is the type of attitude." (Customer Services Manager)

"I think, was a lack of reality of what IT systems are about. Perfection doesn't exist. That's all. And they were expecting perfection. One of the things we've got to constantly relearn is to manage expectations. If somebody says 'Here's a marvellous system - the inspection's been marvellous'. Somebody says 'Here's a system that works - it's going to have a few problems. It's not going to be perfect'. Then people are a little more understanding." (Deputy Managing Director)

"On the IT side, we are the user group - we are the users ... We were involved in some of the detailed specifications as to what we wanted and the agreement of those specifications and the user testing and the like." (Engineering Manager)

6.5.32 B. Interpretation and second order construct

People in the inspection process - users of the information systems - were involved through the formation of users groups, during the development and implementation of the new systems. The user groups ratified the systems specified by the IT implementation teams. IT implementation teams familiarised users with the systems and transferred ownership of the systems to them during the development phase. By the time the systems were implemented users knew what to expect and were not surprised by the system.

The board and implementation teams mismanaged user expectations. They created expectations that the implementation teams struggled to fulfil. The users expected the systems to have few, if any, faults from the first day of implementation, and they did not expect to have to deal with teething problems associated with a new system.

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| Foundry Insurance created user groups to work with implementation teams during the development of the systems but mismanaged some of their expectations. (IM_SOC # 6.54) |
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6.5.33 A. Conjoining first order constructs

“We had tried and largely succeeded in terms of taking people out and putting them into separate projects, and not burdening them with two jobs. You know, a day and a night job, because I think apart from exceptional circumstances, they will fail. You’d just be asking too much of them. They won’t give proper attention to either. So we tended to form specialised teams which then disbanded or whatever according to circumstance.

As a top management team, we made an undying commitment to those people. We said ‘We are with you one hundred and ten per cent. Whatever you need to do to make this work, you will get it from us’, and we involved ourselves fully in that process.” (Managing Director)

“We also were able within the teams that were developing, to feel that what we were doing was in the right direction. It was worthwhile. It wasn’t going to be a waste. It was profitable work, it was going in the right direction and that it would actually get us to there at the end of the day, and we would do it.

To be responsible, not only from the implementation delivery, but through the formulating and planning side of it as well ... and for the support to be there, with confidence and commitment to let us get on with the job.” (Customer Services Manager)

6.5.33 B. Interpretation and second order construct

The board gave the implementation teams their full backing to plan and implement the inspection process and the supporting systems. The teams accepted the responsibility for implementing the changes. The managing director provided teams with quality time within which to implement the inspection process, as he recognised that it could not be completed in the margins of time. He felt that when faced with a choice between fulfilling their line responsibilities or providing time to the implementation team, most team members would opt to complete their line duties.

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| <p>The board gave the implementation teams a mandate to implement the inspection process and the supporting information systems. (IM_SOC # 6.55)</p> |
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F4_6.6 Effects of radical process orientation

6.6.1 A and 6.6.1 B are located in the body of Chapter 6.

6.6.2 A. Conjoining first order constructs

| 1989 | 1990 | 1991 | 1992 | 1993 | 1994 |
|-------------|-------------|---------------|-------------|-------------|-------------|
| £9.6m | £6.1m | £-6.3m (loss) | £3.4m | £5.5m | £7.5m |

Table C: Financial performance of the organisation 1989 - 1994

(Source: internal reports)

6.6.2 B. Interpretation and second order construct

The organisation's profitability fell over three years. By 1992, the organisation reversed this decline.

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| The organisation moved back into profit. (ERPO_SOC # 6.57) |
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6.6.3 A. Conjoining first order constructs

“And in terms of little things like competitive advantage; going back to the IRA terrorist campaign, when the industry, the insurance industry was actually plumbing the depths, we had a very big problem with terrorism which was probably never really appreciated by the public, and we decided we had to pass part of the problem back to the Government. We had to put a wording in our policies excluding effective terrorism. The day that that wording was agreed was the day it went on all of our policies. Now then, if you put that in an industry context, most companies took a long time to get the wording in, certainly a couple of months.” (Managing Director)

“The right (IT/Technical equipment) equipment is obviously very important. In hindsight we wouldn't have done some of the things that we've done. Well we have issues, we've got problems. We've got systems on three different platforms for example. It seemed the right thing to do at the time. It probably was the right thing, but one has to ask the question.” (Customer Services Manager)

6.6.3 B. Interpretation and second order construct

Between 1992 and 1993 Foundry Insurance won several awards for its implementation of systems. The organisation took first prize in the 'IT for Excellence' awards, in the category of businesses with the turnover of less than £100m. It also won the Computer Weekly award for 'IT in Finance'. Foundry Insurance's use of technology to support the inspection process enabled it to change the policy wording to reflect market requirements quicker than its competitors.

However, one potentially adverse aspect of the systems implementation became apparent later. The organisation used four IT suppliers, Wang, SUN, Ingres and Compaq. Wang supplied mainframe host for the plant database and reporting applications. SUN Microsystems were used in the branches and head office for policy administration, along with Ingres software. Compaq supplied the personal computers for the engineers.

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| Foundry Insurance's systems are substantially improved although they were developed on separate platforms. (ERPO_SOC # 6.58) |
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6.6.4 A. Conjoining first order constructs

"Before we didn't have control, we now had control. You know, we now had IT systems which told us. We could have done it before manually, but it would have involved huge numbers of people, and we simply couldn't afford to do that. We had to know what the state of the man's district was, and we achieved that by introducing PC systems in here. It gave us the handle on where people worked. ... the big thing, of course, is we don't have to go to Bristol or ask them if we can have a different programme to extract different information. Management information reports we want, we can, say, specify what we want and the IT Department will fairly quickly, come up with a report that you want ... those are reports available on the screen, those are information that you can sort, all sorts of things on the screen. Very, very good system."
(Engineering Manager)

“And streamlined the service that we provide, improved turnaround times, delivering surveyors’ reports from three to four weeks, to three to four days, so from the customer service point of view, and a quality point of view, that was a phenomenal benefit to us.” (Customer Services Manager)

6.6.4 B. Interpretation and second order construct

Managers in the organisation prior to the changes had little control over activities that people performed to deliver the inspection service to customers. However, managers are in control of the inspection process.

Foundry Insurance’s management has better control over the inspection process.
(ERPO_SOC # 6.59)

6.6.5 A. Conjoining first order constructs

“In the customer services are, I keep worrying about the fact that they have a backlog and why have they got a backlog, and who is trying to deal with it, and there’s always good reasons but I have difficulty in seeing somebody saying ‘Let’s own this, let’s get it down’, as well as I think for individuals, to recognise that, or perhaps I could make a contribution, without thinking I’ve got to have it on paid overtime. I suspect behind it is this fear of job reduction. So there’s this reluctance to keep simplifying the process or eradicating certain steps, or getting rid of unnecessary activities And I think that actually applies at the middle level management, because they don’t like to be the hard hearted people. They forget the bottom line that we’ve to aim for. They’d rather have stability and settle at many levels because they’ve been going through three or four years of change and seeing people leave and they feel uncomfortable.” (Deputy Managing Director)

“(We) have the power to instruct them ... you see, people working from home - it’s so easy on a day like today, beautiful sunshine, to pack up a bit earlier and perhaps, I don’t know, either go for a swim or play golf or something, because we wouldn’t know ... we would not know. But now we know.” (Engineering Manager)

6.6.5 B. Interpretation and second order construct

Not all aspects of the previous organisation have changed. For example, in one part of the inspection process, there is a backlog of customer enquiries. Board members recognise that managers and team leaders maintain the backlog because they are afraid of further job cuts will affect them and their colleagues.

Some aspects of the old organisation can still be found in the redesigned inspection process. (ERPO_SOC # 6.60)

Appendix 7 - Using the emergent model to analyse two published cases

Case A: Sillince and Harindranath, 1998

Theoretical proposition # 1: Radical process orientation is more likely to be achieved when people accept the organisation’s drivers for change, which can be opportunities and threats.

| Case details (Sillince and Harindranath, 1998) | Researchers’ insights | Case details reinterpreted through the emergent model |
|--|---|---|
| <ul style="list-style-type: none"> ❖ Health care project at Central Middlesex Hospital NHS Trust ❖ Setting up a greenfield site ❖ £16 million funding available to establish Ambulatory Care and Diagnostic (ACAD) Centre ❖ ACAD’s aim is rapid throughput of patients | <ul style="list-style-type: none"> ❖ The establishment of an ACAD unit is described as politically adventurous and politically controversial and at an early stage of introduction in healthcare | <ul style="list-style-type: none"> ❖ Implementors made little effort to establish whether people in the organisation considered the drivers for change to be opportunities or threats ❖ Expansion of the hospital care facilities are an opportunity, however, parts of the main hospital were due to close ❖ The emergent model suggests that senior managers should have discussed and agreed the drivers for change |

Theoretical proposition # 2: Radical process orientation is more likely to be achieved when people establish the need for radical process orientation rather than another type of change initiative.

| Case details (Sillince and Harindranath, 1998) | Researchers' insights | Case details reinterpreted through the emergent model |
|--|---|--|
| <ul style="list-style-type: none"> ❖ Radical process orientation is assumed to be appropriate because: ❖ ACAD required radical change to business and medical processes, social structures, and the introduction of computerised scheduling ❖ New systems had to relate to existing hospital functions ❖ Hospital's existing work practices were envisaged to require radical change | <ul style="list-style-type: none"> ❖ The need for radical change to working practices and technology is assumed to lead to radical process orientation | <ul style="list-style-type: none"> ❖ The changes required to establish the ACAD Centre could potentially be implemented through a number of different change initiatives, e.g. work flow, a construction project, and apparently radical process orientation ❖ The emergent model would require senior managers to take a conscious decision to adopt radical process orientation ❖ To reach this decision the emergent model requires people to address whether or not the organisation should co-ordinate changes across several functions ❖ Hence, senior managers and consultants and senior nursing staff would have to discuss the changes to be carried out ❖ The emergent model also requires people to understand that managerial and operational interdependence between activities should increase ❖ This could have circumvented one situation faced by the implementors ❖ Sillince & Harindranath (1998) state that consultants and schedulers were in conflict because "to schedule on the basis of units of time, (meant) taking power away from doctors and giving it to schedulers" (p. 116) ❖ The emergent model requires those recipients and implementors to recognise that radical process orientation involves greater interdependence |

Theoretical proposition # 3: Radical process orientation is more likely to be achieved when people recognise organisational elements namely, strategy, structure, people’s responsibilities and appraisal criteria, collaborative behaviours, and information systems, will change and that these elements will align to a function *and* process orientation.

| Case details (Sillince and Harindranath, 1998) | Researchers’ insights | Case details reinterpreted through the emergent model |
|---|---|--|
| <ul style="list-style-type: none"> ❖ Changes identified by the ACAD team were: ❖ Changes to information systems ❖ Recruiting people for the Centre ❖ Constructing the ACAD building | <ul style="list-style-type: none"> ❖ There was a high degree of certainty about the contribution of the building in terms of physical characteristics ❖ Great uncertainty surrounding the development of IS and staff related changes ❖ The reason for the uncertainty was people thought the building design was leading the IS development | <ul style="list-style-type: none"> ❖ The emergent model would require people in the hospital to consider changes to a wider set of organisational changes ❖ For example, ACAD’s impact on the hospital’s strategy, structure, responsibilities and appraisal criteria of people like consultants, administration staff and nurses ❖ ACAD required people’s behaviours to become more collaborative across the process and this was barely considered by the senior managers ❖ The emergent model would have ensure the ACAD team focused upon the changes that would need to occur for the ACAD centre to become operational ❖ In terms of the IS literature, the uncertainty surrounding the IS developments can be explained by the emergent model: an unclear strategic direction, conflicting responsibilities and behaviours that lacked a degree of collaboration |

Theoretical proposition # 4: Radical process orientation is more likely to be achieved when people accept the changes that *actually* need to occur in the organisation.

| Case details (Sillince and Harindranath, 1998) | Researchers' insights | Case details reinterpreted through the emergent model |
|---|---|---|
| <ul style="list-style-type: none"> ❖ The views of key people in the hospital were specifically excluded: ❖ "This exclusion of existing staff (nurses, doctors, GPs) was seen as central to the re-engineering objective" (p. 118) | <ul style="list-style-type: none"> ❖ Staff in the hospital were considered to be "resistant yet manipulable" (p. 119) ❖ However 60 staff, including 30 consultants, expressed anger at the proposed changes ❖ In response the CEO set up a medical staff focus group "designed to change attitudes away from resistance towards acceptance of change" (p. 119) | <ul style="list-style-type: none"> ❖ Staff anger surfaced some months after the ACAD project began ❖ The emergent model indicates that the ACAD team placed little, if any, importance on gaining people's acceptance of the changes that actually need to occur ❖ It is likely the ACAD team did not realise the importance of gaining acceptance of the actual changes ❖ The emergent model suggests that gaining the acceptance of the existing consultants and senior nursing staff is vital to implementing the changes ❖ Yet it appears that the hospital specifically excluded existing staff |

Theoretical proposition # 5: Radical process orientation is more likely to be achieved when people, including board members, senior managers, middle managers and employees, are willing to allow the changes to affect them.

| Case details (Sillince and Harindranath, 1998) | Researchers' insights | Case details reinterpreted through the emergent model |
|---|--|--|
| <ul style="list-style-type: none"> ❖ The hospital board members supported the changes ❖ However people felt they had little control over the changes: ❖ “(staff) felt they had 2 stark choices - either accept ACAD or to see their departments closed on the main hospital site” (p. 119) | <ul style="list-style-type: none"> ❖ People were presented with positive and negative messages from senior managers | <ul style="list-style-type: none"> ❖ The ACAD team recognised they would face resistance to the changes but considered that staff would do as they were told ❖ The emergent model suggests that the ACAD team needed to understand staff's willingness to allow the changes to affect them ❖ Moreover this theoretical proposition within the emergent model would have encouraged members of the ACAD team to question their own assumptions, exemplified by the assumption that staff would do as they were told ❖ It is clear that a discussion about willingness to allow the changes to affect individuals did not take place |

Theoretical proposition # 6: Radical process orientation is more likely to be achieved when people link the issues to be managed to the changes that need to occur.

| Case details (Sillince and Harindranath, 1998) | Researchers' insights | Case details reinterpreted through the emergent model |
|--|---|---|
| <ul style="list-style-type: none"> ❖ The issues to be managed were identified as being: ❖ creation of a consortium to construct the ACAD building ❖ management of the consortium ❖ systems development for the ACAD Centre ❖ creation of a steering team and project team structure | <ul style="list-style-type: none"> ❖ There were several meetings and workshops which focussed on: ❖ identification of concerns, questions, problems and conflicts ❖ resolution of these by providing solutions, answers and discussion ❖ prioritisation of the building and systems development | <ul style="list-style-type: none"> ❖ The issues to be managed are defined in terms of the changes that need to occur ❖ The exception is changes that affect staff ❖ It is likely that the reason staff changes do not feature as issues to be managed is because of the assumption made by the ACAD team, namely that people will do as they are told ❖ The emergent model suggests that the issues to be managed are incomplete because the ACAD team scoped the nature and content of changes that need to occur too narrowly |

Theoretical proposition # 7: Radical process orientation is more likely to be achieved when people plan for and deploy radical *and* evolutionary modes of operationalising the issue to be managed.

| Case details (Sillince and Harindranath, 1998) | Researchers' insights | Case details reinterpreted through the emergent mode |
|---|---|--|
| <ul style="list-style-type: none"> ❖ There is no evidence that the hospital developed an overall plan for the implementation of the changes that needed to occur ❖ However, the design and construction of the building did have a plan | <ul style="list-style-type: none"> ❖ The lack of an implementation plan is barely discussed by the researchers | <ul style="list-style-type: none"> ❖ It is apparent from the case that the actions taken by the ACAD team were operationalised in an evolutionary manner ❖ The emergent model suggests that the ACAD team could have benefited from an implementation plan that contained radical and evolutionary actions to be taken |

Theoretical proposition # 8: Radical process orientation is more likely to be achieved when people are willing to implement the issues that need to be managed to achieve radical process orientation.

| Case details (Sillince and Harindranath, 1998) | Researchers' insights | Case details reinterpreted through the emergent model |
|---|--|--|
| <ul style="list-style-type: none"> ❖ The case provides source data from the CEO in relation to this theoretical proposition: ❖ "The consultants will do as they are told" (p. 118) ❖ "ACAD has strengthened our future, but the main hospital will dramatically shrink" (p. 119) ❖ Yet when the consultants voiced their anger, the action taken by the CEO was to set up a medical-staff focus group | <ul style="list-style-type: none"> ❖ The researchers overlook the incongruence between the CEO's rhetoric and his actions | <ul style="list-style-type: none"> ❖ People on the ACAD team were unwilling to implement actions to substantiate the rhetoric ❖ The actions they took were inappropriate to the circumstances ❖ The emergent model indicates that members of the ACAD team needed to understand that they were dealing with people who were worried and concerned about the changes while, concurrently, getting them to support the changes ❖ ACAD team members needed to be sensitive to people's worries and concerns yet take tough decisions ❖ The team appeared to be ill prepared for managing this paradox ❖ The rhetoric was uncaring and the actions inappropriate ❖ The emergent model could have enabled them to avoid this situation |

Theoretical proposition # 9: The achievement of radical process orientation needs to be assessed in terms of whether or not the drivers for change were removed and the extent to which behaviours are unchanged.

| Case details (Sillince and Harindranath, 1998) | Researchers' insights | Case details reinterpreted through the emergent model |
|--|---|--|
| <ul style="list-style-type: none"> ❖ The achievement of radical process orientation was not assessed by the hospital ❖ One indication that the organisation may not have achieved its aims is that external software developers dropped out of the ACAD consortium part way through the design phase | <ul style="list-style-type: none"> ❖ The researchers explained the progress of the ACAD project in the following way: ❖ “(The findings) suggest that situations where there are decisions, solutions, resolutions or answers... at important points of the process... significant progress can be made during the project, whereas ones... where there are questions, problems or conflicts... at important points are ones where blocking occurs” (p. 121) | <ul style="list-style-type: none"> ❖ The emergent model suggests that the ACAD team assess the achievement of radical process orientation in terms of resolving the drivers for change and the extent of unaltered behaviours ❖ From the data available, it is unlikely that either have been achieved |

Theoretical proposition # 10: Radical process orientation is more likely to be achieved when implementors and recipients accept these roles as reciprocal, and enact both roles.

| Case details (Sillince and Harindranath, 1998) | Researchers' insights | Case details reinterpreted through the emergent model |
|--|--|--|
| <ul style="list-style-type: none"> ❖ The hospital set up two teams: ❖ A steering team consisting of the CEO, 6 directors and representatives from the software developer, hardware manufacturer, builder, building architect and an internal software requirements team ❖ A project team was set up consisting of the software developer, hardware developer, board director/steering team chair, builder and software requirements team member | <ul style="list-style-type: none"> ❖ The researchers observed that these teams worked in 3 sub-groups ❖ Each sub-group took responsibility for a specific area: ❖ Design group considered building design ❖ IS group considered systems requirements ❖ Negotiations group considered contracts and agreements with external parties | <ul style="list-style-type: none"> ❖ The ACAD team consisted of implementors only ❖ The emergent model suggests that implementors and recipients should have been part of the team ❖ The ACAD team also neglected to consider implementor and recipient roles as being reciprocal |

Case B: Currie and Willcocks, 1996

Theoretical proposition # 1: Radical process orientation is more likely to be achieved when people accept the organisation's drivers for change, which can be opportunities and threats.

| Case details (Currie and Willcocks, 1996) | Researchers' insights | Case details reinterpreted through the emergent model |
|--|---|---|
| <ul style="list-style-type: none"> ❖ Intense competition in the industry ❖ Lower profitability ❖ Customer loyalty is no longer guaranteed | <ul style="list-style-type: none"> ❖ Drivers for change were due to industry changes, e.g. deregulation in the financial services sector | <ul style="list-style-type: none"> ❖ The bank identified drivers for change that were threats ❖ The emergent model suggests that the bank's management team could have identified opportunities as well |

Theoretical proposition # 2: Radical process orientation is more likely to be achieved when people establish the need for radical process orientation rather than another type of change initiative.

| Case details (Currie and Willcocks, 1996) | Researchers' insights | Case details reinterpreted through the emergent model |
|---|--|--|
| <ul style="list-style-type: none"> ❖ Radical re-engineering was chosen because senior managers intended to transform the bank into the best retail bank by 1997 and wanted to achieve this by implementing major changes to the organisation's structures, products, services, job titles, roles, technology, sales and marketing, and training policies | <ul style="list-style-type: none"> ❖ The researchers assume that management's stated intentions and the changes to be made are sufficient to justify the need for radical process orientation | <ul style="list-style-type: none"> ❖ The bank identified the drivers for change, strategic aims and organisational changes to be implemented ❖ However, the effects of the changes were barely considered ❖ The emergent model indicates that senior managers should recognise that the changes identified would be co-ordinated across functions so that these dovetail together ❖ The model leads managers to realise that the changes are aimed at increasing managerial and operational interdependence across different functions in the processes ❖ It appears that these discussions barely took place as exemplified by the following: ❖ "What emerged from the interviews with senior managers from the business units and IT managers and technical staff from the Technology Division was that a wide gulf between the two groups persisted" (p. 224) |

Theoretical proposition # 3: Radical process orientation is more likely to be achieved when people recognise organisational elements namely, strategy, structure, people’s responsibilities and appraisal criteria, collaborative behaviours, and information systems, will change and that these elements will align to a function *and* process orientation.

| Case details (Currie and Willcocks, 1996) | Researchers’ insights | Case details reinterpreted through the emergent model |
|---|--|---|
| <ul style="list-style-type: none"> ❖ People, especially senior managers, recognised the changes that needed to occur ❖ The changes were structured into 6 areas: ❖ Key strategic objectives were established ❖ Structure was changed to business units: retail, commercial and corporate; responsibilities were redefined to separate sales and service people; people were to be empowered ❖ Information systems were to be changed - £100 million invested in new technology to achieve a seamless service ❖ Changes to the physical appearance of the branch - more open, less intimidating to customers ❖ Each branch was a mini-bank and this was to be replaced with specialist customer facing centres and back office service centres ❖ HR policies and practices to be changed; team work to be introduced | <ul style="list-style-type: none"> ❖ The researchers identify the content of the proposed changes ❖ Their observations about the changes are: ❖ People were sceptical about the changes and concerned about their position ❖ The changes relied heavily on IT hence the re-engineering project is described as IT enabled with services moving from manual to computer based systems ❖ Changes that affected people, e.g. empowerment and team working, were given the least attention by senior managers | <ul style="list-style-type: none"> ❖ The bank identified the content of changes ❖ However, little thought is given to the nature of the changes ❖ The researchers also overlook this aspect of change ❖ The emergent model suggests that the bank should consider changes to organisational elements in terms of a function and process orientation ❖ For example, the model requires people to consider changes in responsibilities in terms of function, exemplified by customer facing centres as well as the process in which people in that function operate ❖ It is apparent that senior managers defined the functional perspective and that the process perspective was largely ignored |

Theoretical proposition # 4: Radical process orientation is more likely to be achieved when people accept the changes that *actually* need to occur in the organisation.

| Case details (Currie and Willcocks, 1996) | Researchers' insights | Case details reinterpreted through the emergent model |
|---|--|--|
| <ul style="list-style-type: none"> ❖ The implementation team and senior managers were supportive of the changes ❖ They set out the strategic objectives to be achieved ❖ People were concerned about their own position, career and promotion prospects ❖ Implementor and senior managers seemed to be unaware of people's concerns | <ul style="list-style-type: none"> ❖ The researchers describe the gap between the implementation team and employees as complex, political tensions ❖ The gap arose because the "social and political processes of re-engineering were also underplayed by senior bank personnel, and this appeared to manifest itself between the business units and Technology Division" (p. 233) | <ul style="list-style-type: none"> ❖ The case evidence suggests that little consideration was given to gaining people's acceptance of the changes that actually needed to occur ❖ This is in spite of people feeling concerned about the changes and its affects upon them ❖ The emergent model suggests that implementors could have tried to discover the changes that people believed actually needed to occur ❖ This would have highlighted changes people found unacceptable, and enabled the implementation team to either amend the project scope or identify issues to be managed to bring about acceptance of the changes |

Theoretical proposition # 5: Radical process orientation is more likely to be achieved when people, including board members, senior managers, middle managers and employees, are willing to allow the changes to affect them.

| Case details (Currie and Willcocks, 1996) | Researcher's insights | Case details reinterpreted through the emergent model |
|---|--|---|
| <ul style="list-style-type: none"> ❖ People were unwilling to allow the changes to affect them specifically: ❖ Working practices ❖ Responsibility and power redistribution ❖ Employment contracts ❖ Existing technology ❖ Reductions in the number of middle managers | <ul style="list-style-type: none"> ❖ The researchers found “considerable evidence of emergent protectionist strategies amongst the bank’s workforce” (p. 232) ❖ The researchers claim such resistance to change is typical of radical process orientation projects and are a barrier to its implementation | <ul style="list-style-type: none"> ❖ The implementation team and senior managers appear to have assumed that there would be little resistance to change, exemplified by poor communication ❖ Senior managers took a hands-off approach, relying on contractors and project management techniques to implement the changes ❖ The emergent model leads senior managers to focus upon the changes people are willing to allow to affect them ❖ This in turn would require senior managers to communicate with people at all levels and gauge whether or not the original scope of the project could be implemented ❖ This leads implementors to identify potential social, political and communication issues |

Theoretical proposition # 6: Radical process orientation is more likely to be achieved when people link the issues to be managed to the changes that need to occur.

| Case details (Currie and Willcocks, 1996) | Researchers' insights | Case details reinterpreted through the emergent model |
|---|--|---|
| <ul style="list-style-type: none"> ❖ The implementation team identified several issues to be managed, however many of these relate to the design, development and implementation of computer systems ❖ There are few details about the issues managed to implement the changes identified earlier | <ul style="list-style-type: none"> ❖ The researchers focus on the issues managed to implement computer systems presumably because changes that affected people were unattended ❖ They observed that the project management methodologies were not always appropriate and that the organisation relied on trial and error as well as formal methodologies | <ul style="list-style-type: none"> ❖ The bank focussed on the issues to be managed for some of the changes ❖ The emergent model calls for the issues to be managed to be linked to the changes that need to occur ❖ This requires the implementation team to ensure the issues are adequately specified or alternatively narrow the scope of the changes to be implemented |

Theoretical proposition # 7: Radical process orientation is more likely to be achieved when people plan for and deploy radical *and* evolutionary modes of operationalising the issue to be managed.

| Case details (Currie and Willcocks, 1996) | Researchers' insights | Case details reinterpreted through the emergent model |
|--|--|--|
| <ul style="list-style-type: none"> ❖ The bank carried out a number of actions to implement the changes ❖ However the organisation undertook few, if any, radical modes to operationalise the actions | <ul style="list-style-type: none"> ❖ The researchers observe that conservative practices and procedures prevented large scale, radical implementation activities ❖ Their view is that the methods used to implement the changes were not convincing to employees | <ul style="list-style-type: none"> ❖ The bank apparently did not recognise the need for radical and evolutionary modes of operationalising the issues to be managed ❖ This is apparent by senior managers handing implementation to lower level management rather than taking a top-down approach ❖ Middle managers carried out evolutionary modes of implementation as they did not have the authority to make radical steps ❖ The emergent model makes radical and evolutionary modes explicit ❖ Consequently, managers need to identify issues to be implemented in one or the other mode ❖ Where all the issues are implemented in an evolutionary mode, the content of the changes implemented is likely to be smaller than envisaged |

Theoretical proposition # 8: Radical process orientation is more likely to be achieved when people are willing to implement the issues that need to be managed to achieve radical process orientation.

| Case details (Currie and Willcocks, 1996) | Researchers' insights | Case details reinterpreted through the emergent model |
|--|---|--|
| <ul style="list-style-type: none"> ❖ The following comments illustrate people's positions in relation to the changes: ❖ "managerial staff increasingly began to question their own commitment to the change programme" (p. 229) ❖ "Senior managers from the business units perceived the Technology Division as separate from core banking activities" (p. 229) | <ul style="list-style-type: none"> ❖ The researchers identify some of the inhibitors of people's commitment: ❖ People do not recognise the drivers for change in terms of organisational survival ❖ Traditional function of boundaries ❖ Poorly managed social and political issues ❖ Mixed messages exemplified by empowerment and large job reductions | <ul style="list-style-type: none"> ❖ The inhibitors identified are related to the theoretical propositions discussed above and should have been resolved earlier in the project ❖ For instance, changes being a threat should have been addressed by understanding whether people understood the actual changes to be made ❖ Identifying and sharing the drivers for change address external pressures and survival issues ❖ Recognising the nature of changes in terms of function and process could have softened traditional boundaries ❖ Understanding implementor and recipient roles could have overcome social and political impediments ❖ Theoretical proposition # 8 of the emergent model recognises that managers face the paradox of involving people in the changes while also taking decisions to cut jobs |

Theoretical proposition # 9: The achievement of radical process orientation needs to be assessed in terms of whether or not the drivers for change were removed and the extent to which behaviours are unchanged.

| Case details (Currie and Willcocks, 1996) | Researchers' insights | Case details reinterpreted through the emergent model |
|---|--|---|
| <ul style="list-style-type: none"> ❖ The re-engineering project became: ❖ “a complex, ad hoc and fragmented response that was constantly being revised over a long period of time” (p. 229) ❖ “little more than a melting pot of conflicting disciplines, coalitions, and interests across managerial and technical groups” (p. 229) ❖ “elements of the (reengineering project) became descoped” (p. 223) | <ul style="list-style-type: none"> ❖ The researchers suggest that these outcomes arose due to lack of commitment, the radical nature of organisational change, and inadequate IT skills | <ul style="list-style-type: none"> ❖ There is insufficient evidence to assess whether or not the drivers for change were addressed ❖ However, it is clear that people's behaviour are largely unchanged |

Theoretical proposition # 10: Radical process orientation is more likely to be achieved when implementors and recipients accept these roles as reciprocal, and enact both roles.

| Case details (Currie and Willcocks, 1996) | Researchers' insights | Case details reinterpreted through the emergent model |
|---|---|--|
| <ul style="list-style-type: none"> ❖ The bank set up a project team with representatives from business units and Technology Division ❖ Multifunctional implementation teams were also set up and included people for the Technology Division, project managers, external consultants and IT contractors | <ul style="list-style-type: none"> ❖ The researchers point out that the implementors had major disagreements over control over projects ❖ Implementors in the Technology Division also felt threatened by an influx of external contractors ❖ This reduced implementors' commitment to the changes | <ul style="list-style-type: none"> ❖ The implementors play a prominent role in this case ❖ Recipients are barely recognised nor are their views understood ❖ The emergent model suggests that the implementors should focus upon recipients, with a view to interacting and communicating with them ❖ The model also suggests that implementor and recipient roles are reciprocal, which is the experience IT staff faced unwittingly ❖ These people, with the benefit of the emergent model, would be aware of their dual role and be prepared to switch roles |