

REENGINEERING BUSINESS PROCESSES IN GOVERNMENT:  
A FRAMEWORK FOR PERFORMANCE IMPROVEMENT  
INTERVENTIONS

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# REENGINEERING BUSINESS PROCESSES IN GOVERNMENT: A FRAMEWORK FOR PERFORMANCE IMPROVEMENT INTERVENTIONS

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## INTRODUCTION

The world is changing quickly, and government agencies have difficulty adapting. One reason is that they are based on a bureaucratic model derived from the industrial mass production era. While this model provides organizational benefits, such as stability and clear lines of authority, it also minimizes flexibility and diversity in service delivery. While the private sector has moved away from this model, the public sector remains wedded to a top-down, standardized service delivery system. Dissatisfaction with the traditional model of government is rampant. Constituencies are demanding that government agencies consume less and provide more. There is tremendous pressure on government at all levels in the United States to improve the efficiency and effectiveness of government services and programs.

Some writers, such as Osborne and Gaebler in Reinventing Government (1992), have painted an optimistic and upbeat view of changes in the public sector. However, other data suggest that a high percentage of public sector change efforts, including reengineering and reinventing approaches, have been failures or disappointments (Siegel and Byrne 1994). These failures may have occurred, in part, simply because these types of interventions are conceptually challenging and difficult to implement

successfully. However, we believe that there has been a general failure to distinguish between radically different types of government agencies and a corresponding failure to use interventions that are appropriate for that specific type of agency.

This paper proposes a framework, based on Wilson's (1989) typology of public sector organizations, to distinguish between the types of government agencies. Wilson's types are used as a foundation, from which appropriate strategies for improving operations within a government agency are developed (e.g., reinventing, reengineering, or other approaches).

### Wilson's Typology

Wilson's (1989) typology of government agencies is based on the observability/measurability of 1) the outputs/work of the agency employees doing their jobs, and 2) the results or outcomes achieved by the agency in accomplishing its mission or purpose. Figure 1 indicates how these two dimensions interact to create four types of agencies.

The vertical axis represents the outcomes of individual workers, (easy versus hard to observe) while the horizontal axis represents outcomes of the agency as a whole (easy versus

hard to observe). The resulting quadrants portray four distinct types of government agencies: craft, coping, production, and procedural. To each of the titles developed by Wilson (1989), we have added more descriptive names to help capture the flavor of each agency type (the professionals, the survivors, the doers, and the bureaucrats).

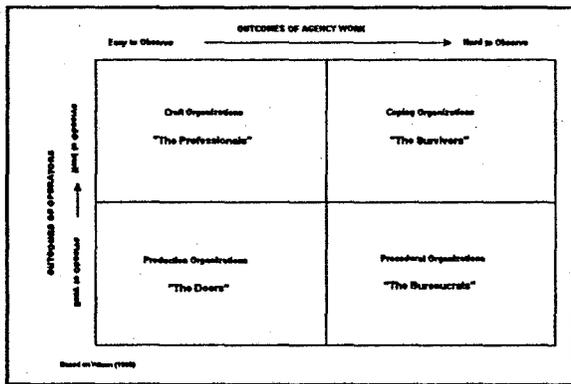


Figure 1. Types of Agencies

Interventions Based on Wilson's Typology

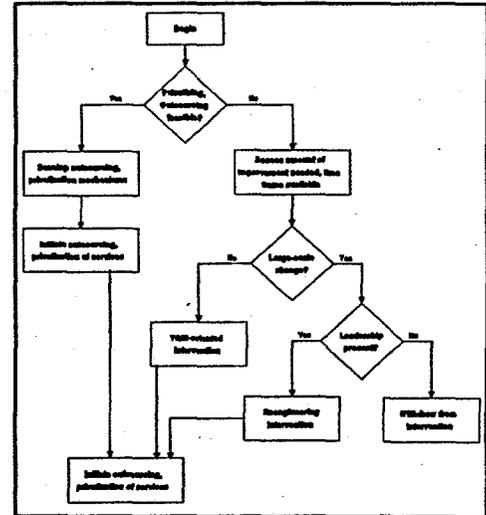
Wilson's typology can aid in deciding how best to improve the performance of different types of government agencies. Each type of agency will require a somewhat different intervention approach.

The Production Agency

Production agencies ("the doers") are defined as those with clearly defined missions, products, and workflow. Of the four agency types, production agencies most resemble private sector manufacturing or service organizations.

A model for conducting interventions with production agencies is shown in Figure 2.

Figure 2. Intervention in a Production Agency



As a first step, since

these agencies are the "doers," the option of outsourcing/privatizing or initiating competition with the private sector should be examined. This option was clearly a dominant theme of Osborne and Gaebler (1992) in Reinventing Government, who referred to agencies as either "rowing" (doing the work) or "steering" (guiding the work of others). Transferring duties to the private sector may be relatively easy for production agencies because they are so similar to private sector organizations. Outsourcing or privatization is attractive due to the potential to reduce costs and improve the quality of service. However, the difficulty of effectively establishing and monitoring private sector contracts has been greatly underestimated (Kettl 1993).

If there are important not to outsource, then intervention efforts should focus

on improving agency performance. The amount of improvement required and the available time frame must be evaluated. If the level of required improvement is large and the time frame small, then reengineering is the preferred intervention alternative. However, if reengineering is to be successful, strong organizational leadership, commitment, and ability to commit resources will be necessary for success. Conversely, with less need for dramatic performance improvement or with a longer time frame, then continuous improvement/TQM approaches can be pursued.

### The Craft Agency

Craft agencies ("the professionals") are defined as those whose mission accomplishment is easy to observe but the performance of individual workers is difficult to observe. Figure 3 shows a model for conducting interventions with craft agencies.

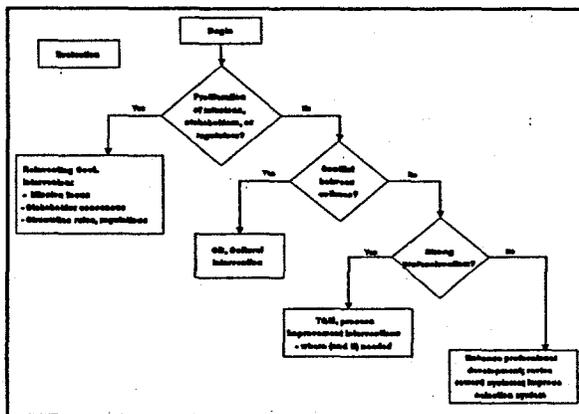


Figure 3. Intervention in a Craft Agency

The three decision boxes reflect the major issues likely to be encountered. First, an assessment should be made as to whether the perceived organizational problems result from a proliferation of missions, stakeholders, or regulations. If so, the organization is in danger of sliding into the next quadrant (coping agencies).

The appropriate intervention involves a reinventing government effort to reestablish a clear mission focus, to develop stakeholder consensus, or to work to reverse the increase of rules and regulations. As shown by the feedback loop, these reinventing issues need to be resolved before addressing cultural or professional issues. Cultural or professional issues are likely to be the symptoms of deeper problems at this point.

When mission issues have been resolved or defused, the issue of conflicting cultures within the agency should be considered. Newly arrived financial experts may be at odds with established engineering professionals, social scientists with old-school "hard" science researchers, MBAs with blue collar staff, and so forth. In this case, the appropriate intervention involves organization development (e.g., conflict resolution) or culture management.

The state of professionalism in the agency should also be considered by the intervener. In craft agencies, a high level of professionalism is critical to effectiveness, given the ambiguity of individual performance. If interviews and other data suggest that the level of professionalism is a genuine concern,

an intervention designed to enhance the level of professionalism is suggested. This may include initiation of career planning and professional development activities, improving the rewards system to encourage professional capabilities and motivation, or improving the selection system to bring in more capable professional staff.

If the issues addressed in the three decision boxes in Figure 3 are not major concerns, the suggested intervention involves diagnosing the agency's work processes and initiating either a reengineering effort (for work processes that are "broken" or severely inadequate) or a TQM/process improvement effort for those processes that need a more gradual change process.

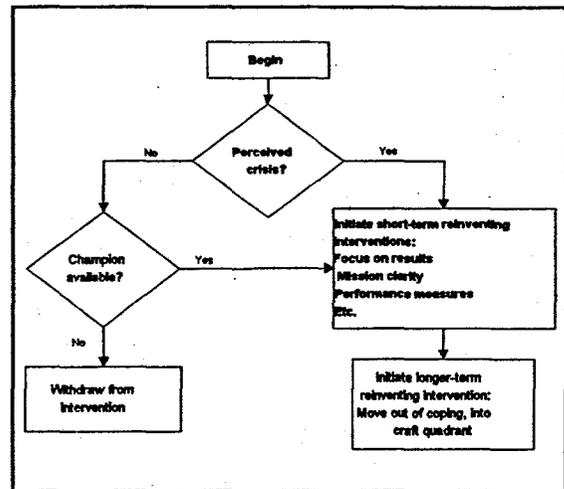
All interventions should be followed by an evaluation of results. Evaluation is simplified by the fact that craft agency outcomes are easy to observe.

### The Coping Agency

Coping agencies are those whose individual and agency outcomes are hard to observe and who are labeled "the survivors" because of the situation often faced by such agencies. These agencies tend to exist in a highly political environment and tend to feel threatened and disrupted by outside pressures. Social service agencies are examples of coping agencies. Survival of the agency as a whole may be an issue (due to funding constraints) as well as the survival of individual members (due to unrealistically high workloads).

Because of the multiple stakeholder interests, ambiguous individual performance, and ambiguous agency performance, interventions with a coping agency are risky and challenging. Figure 4 provides a model of our view of interventions with this quadrant.

Figure 4. Interventions with Coping



### Agencies

If there is no perceived crisis, the intervenor should search for a dominant stakeholder who will serve as a champion for the intervention efforts. This champion may include a strong agency leader. If no such champion can be identified, the model suggests withdrawing from the intervention. It is unlikely that sufficient resources or commitment from the agency will be obtained to complete the intervention successfully.

With a recognized crisis around which to rally the agency and its stakeholders, the intervention is far more likely to receive the resources and support that

are needed. Figure 4 suggests both near-term and longer-term intervention should be attempted. In the short term, several of Osborne and Gaebler's reinventing principles may be applied. These include focusing on results, working to identify and focus on the mission, developing and implementing performance measures, empowering citizens, decentralizing agency decision-making, and working to get the agency to serve as a catalyst to customer/citizen activities.

Short-term activities will include identifying and responding to the critical stakeholders-- the few that really matter. While all stakeholders may have a legitimate voice, it should be the customer in particular who carries the most weight in determining desired means and ends. Coping agencies become more customer-driven by moving decision-making authority to the local level and empowering customers to have a greater influence on dictating the agency's desired outcomes. Coping agencies become more community-owned by giving responsibility of service delivery to the local community. In this role, the community becomes a major catalyst for change.

The longer-term reinventing government intervention is simply to move out of the coping quadrant and into the craft quadrant. The focus should be moved from simply surviving as an agency to providing the valuable services for which they were intended.

### The Procedural Agency

Procedural organizations ( "the bureaucrats") are defined according to Wilson's (1989) typology as those agencies whose mission outcomes are hard to observe, while the outputs of individual operators are relatively easy to observe. The clearest examples of procedural agencies involve those whose focus is primarily on regulations or regulatory compliance. The presence of procedures does not mean that the agency is a procedural/bureaucratic one. Categorizing an agency as procedural means that the procedures or regulations have more or less become ends in themselves and that the goal of the agency has become developing, carrying out, or monitoring these rules and regulations. Figure 5 shows a model for conducting interventions with procedural agencies.

First, it should be determined whether the agency is in "rowing" or "steering" mode (i.e., doing the work or guiding other organizations that accomplish the work). In the case of steering mode, an assessment needs to be made of the degree of mission clarity and consensus among the key stakeholders, to be accomplished through interviews with agency management and/or knowledgeable stakeholder group members. It is probable that the mission is unclear and that stakeholders disagree. Consequently, we believe the most appropriate and valuable intervention in a procedural agency is to "reinvent the mission"--to work to re-define and clarify the underlying purpose of the



associated with blanket approaches to reengineering and reinventing. In fact, reengineering can even be pursued with clients that have multiple and organizationally distinct missions if separate reengineering efforts are initiated for those distinct processes and products. Reengineering a single-focused production department might succeed, given sufficient autonomy within the larger agency.

The best reengineering and reinventing opportunities at the federal level are probably with agencies that have been mandated a change in mission. These agencies will tend to have a clearer sense of the need for change and have a greater sense of urgency regarding adopting a new way of conducting business.

A final point concerns internal or external consultants who might be involved in leading agency change efforts. It will be tempting to propose reengineering or reinventing efforts if for no other reason than that they are the current fashion in change. The framework presented here suggests that initiating these kinds of efforts in inappropriate settings or at inappropriate times will tend to result in failure of the change efforts. Similarly, agency management must be good consumers of consulting services-- they must avoid buying into simplistic or faddish solutions to what are very likely to be extremely complex organizational problems.

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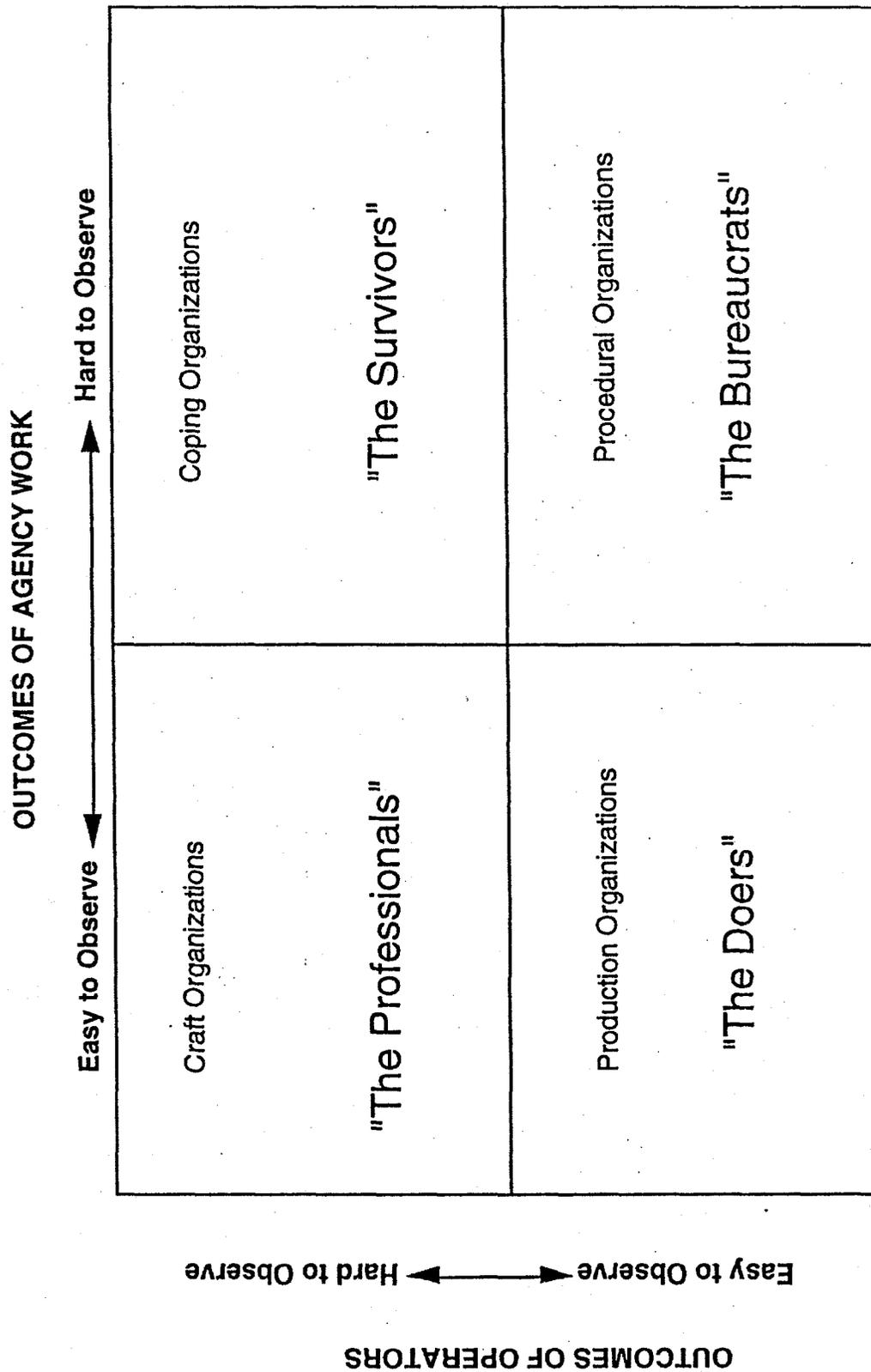
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### Biographical Sketch

Dr. Joseph C. Montgomery, Senior Research Scientist/Engineer of Battelle, Pacific Northwest Laboratories. Dr. Montgomery has a Ph.D. in Industrial/Organizational Psychology. He is primarily involved in large-scale organizational research and development projects that involve organizational change management, performance measurement, process reengineering, TQM, and aligning organizational systems. Clients include the Department of Energy, Department of Defense, other Federal government agencies, and internal organizations.

Figure 1.  
**TYPES OF AGENCIES**



Based on Wilson (1989)

Figure 2.

## INTERVENTION IN A PRODUCTION AGENCY

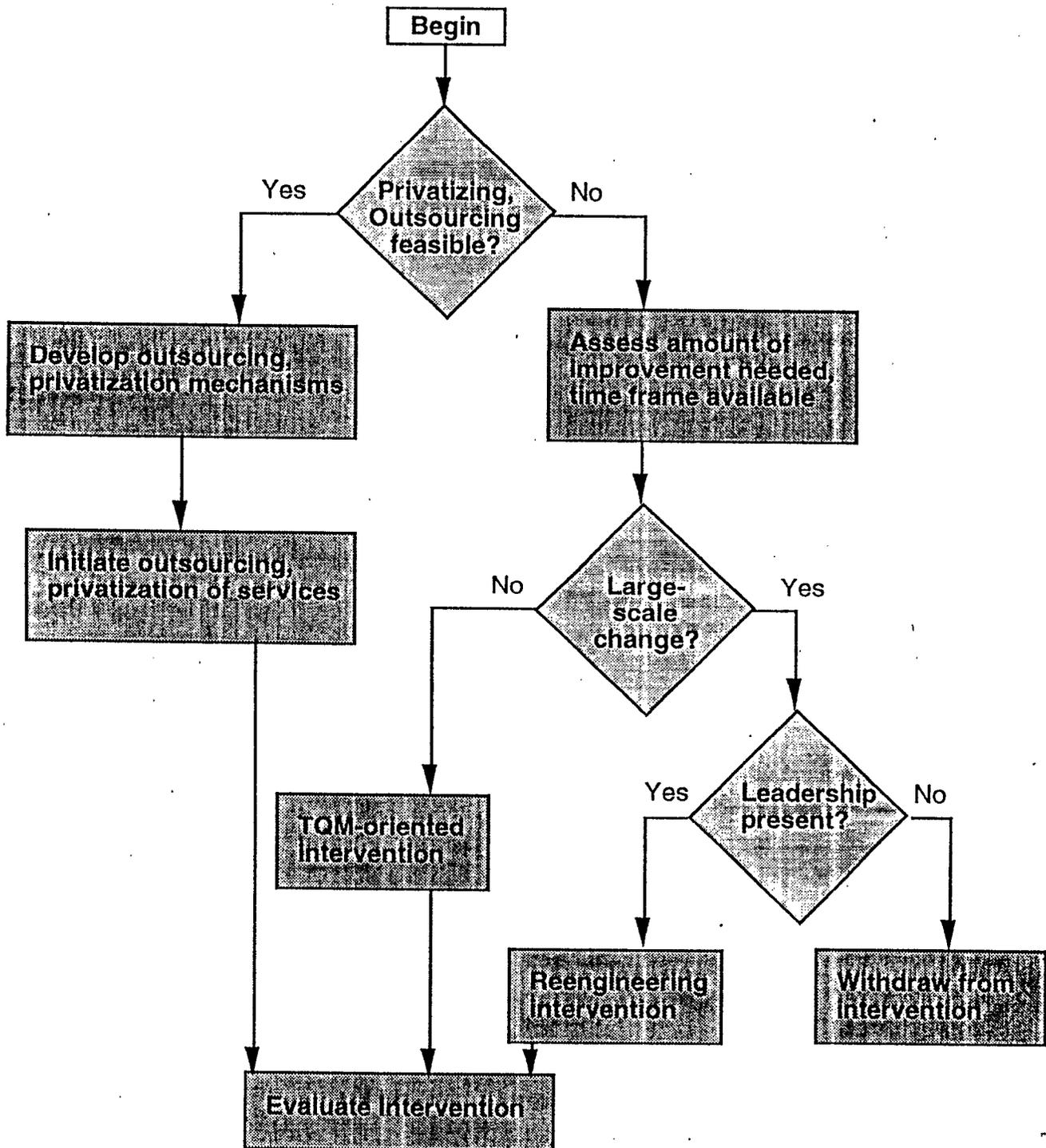


Figure 3.

# INTERVENTION IN A CRAFT AGENCY

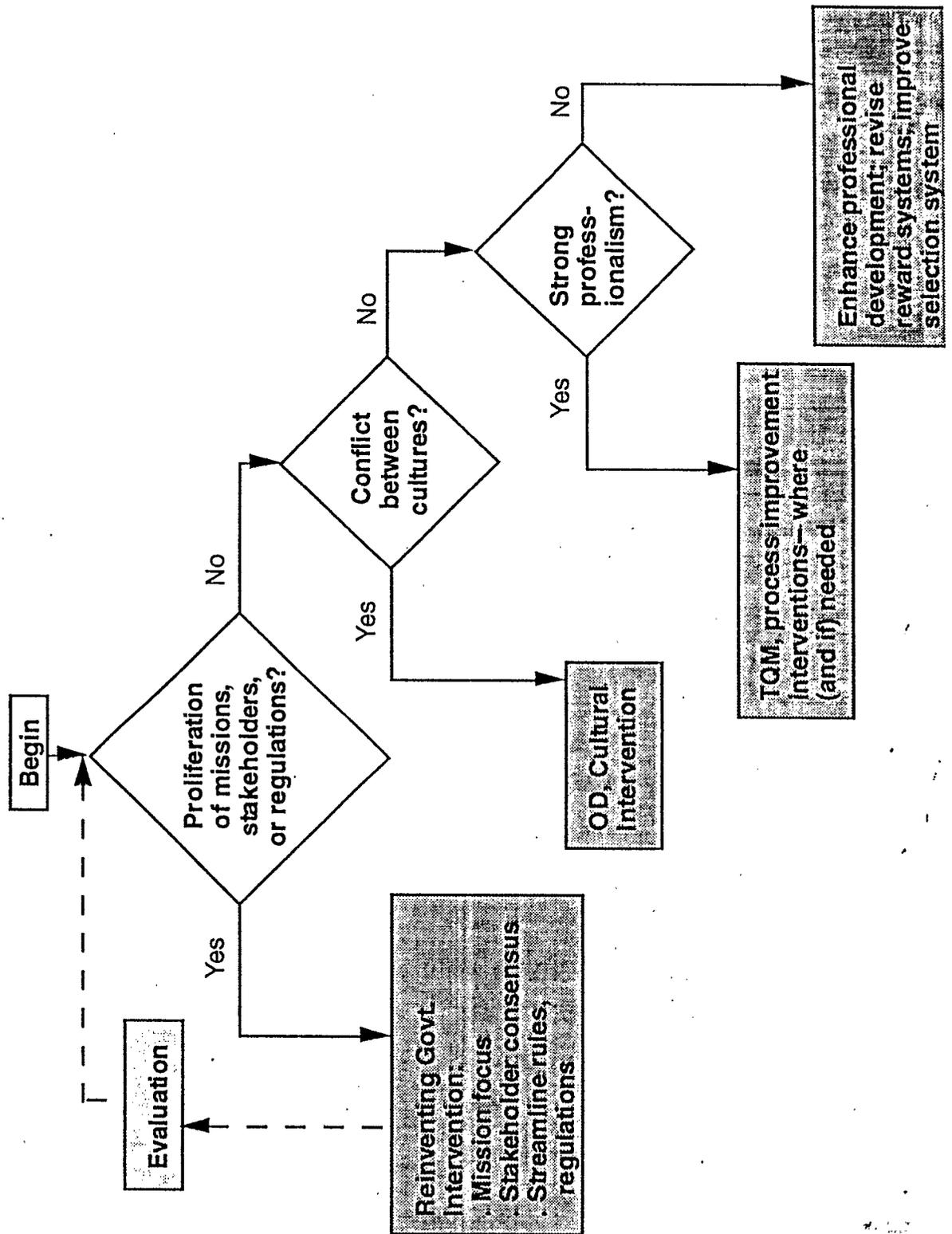


Figure 4.

## Interventions with Coping Agencies

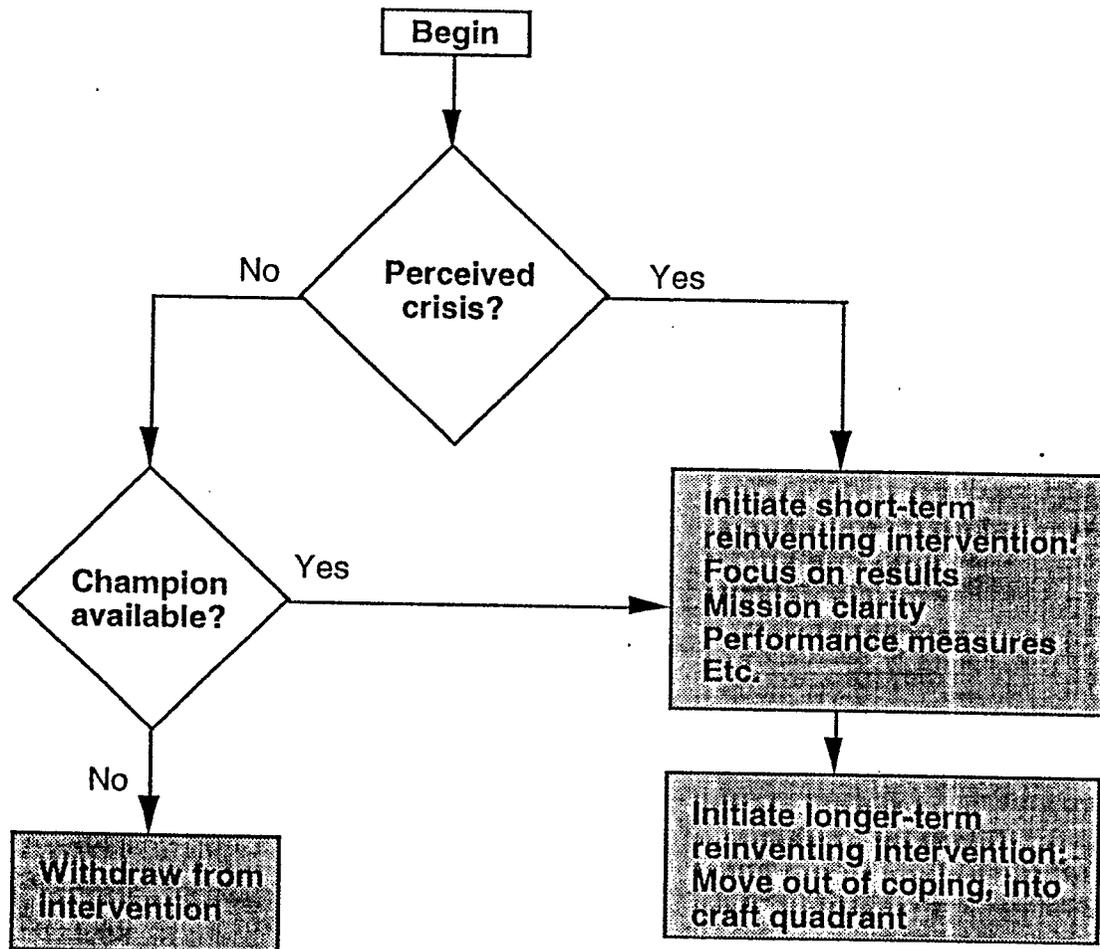


Figure 5.

# INTERVENTIONS WITH PROCEDURAL AGENCIES

