

Champy, J. (1995). *Reengineering management: The mandate for new leadership*. New York: Harper Collins.

Reviewed by

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Biographical Information

Cathy Morris is presently an assistant professor in the Department of Recreation and Leisure at the University of Utah. Her primary responsibilities in the department are Director of Graduate Studies and Coordinator of Therapeutic Recreation, and she is in the process of trying to 'live' the first three questions raised by Reengineering management. Her research interests are in social psychology of leisure behavior and therapeutic recreation.

This book is the follow-up to *Reengineering the corporation* published in 1993. Many companies and businesses undertook the mission to reengineer, to improve their businesses by changing their key operational processes, such as product development. Many such companies reported big changes, and Champy provides examples to back his claims. In this new book, however, Champy points out that reengineering often stops at the upper echelons of corporations or businesses. Managers resist the process as it applies to themselves, so their work of management goes unchanged. This book is about changing managerial work, about changing the way managers "think about, organize, inspire, deploy, enable, measure, and reward the value-adding operational work" (p.3).

The ideas addressed in this book apply to everyone working in parks, recreation, tourism, and leisure services, from large commercial enterprises, to small nonprofit organizations, to academia. We all manage something, whether is it personal time and resources, or those of other people. Managers need to be willing to change even if they are already successful, because complacency leads to mediocrity, which leads to failure. For example, from the perspective of faculty duties, we get caught up in directing, coordinating, and administrating, and do not often take the time to sit back and ask some basic questions: What is this business for? What kind of organizational culture do we want? How do we do our work? What kinds of people do we want to work with? This review briefly outlines the purpose of Champy's new book, and discusses the important questions raised that all managers need to be thinking about, wherever they may be working. All these concepts have immediate application to parks, recreation, tourism, and leisure services.

"Reengineering is a particular way of using our minds, of 'minding' our business, and anyone can learn it" (p.30). Many organizations are flattening their administrative levels and losing many middle managers. Champy describes four managerial roles needed for successful reengineering, no matter how much an organization has flattened its hierarchy.

'Self-managers' are those who may not think of themselves as managers because they answer only for their own work. 'Process and people managers' are those who answer for the work of others, usually a team or teams who work closely with customers or on special projects. In the reengineered work place, this is usually a situational type manager, and the position will rotate responsibility as the occasion demands. 'Expertise managers' are those whose "responsibility is the care and development of a company's intelligence (in all senses of the word)" (p. 4), such as technology or human resource managers. 'Enterprise managers' are those whom we have traditionally called CEOs, although they may have risen through the ranks of management. These people are those with an overall vision, a 'big picture' of where the organization fits, what changes are coming, and how they will direct change.

All these types of managers will need to be open to change. "Linear thinking, grand strategy thinking, formulaic thinking, conventional thinking, and credentialed thinking produce only comforting illusions, bland rigidities, and complacent passivity, all the slow-working recipes for disaster. The fact is, we don't know what lies ahead. The key challenge facing us in the 90s is the same one that faces us every day: To keep taking the risk of change" (p. 32). This book is about how to think about living the questions that guide change.

The first and second chapters address the question: Why reengineer management? Champy tries to answer by showing that reengineering works, to a point, and there are many good examples to prove it. Nevertheless, there are also many failures, and examination of them shows that the obstacle is management. He then superficially describes the history of management and management change. Old metaphors for management do not work, and dealing with customers has never been harder. Customers are more disloyal, more educated, and more demanding, and they need new products and improved services. "Sony turns out four new products a day, and a new walkman model every three weeks, Rubbermaid turns out an average of one new product a day. And so it goes virtually everywhere, from big ticket items like computers to everyday items like laundry soap" (p. 17). The ordeal for current management is that whatever they do is not enough, everything is in question, nothing is simple anymore, and everyone must change. These refrains are revisited throughout the book.

Chapter three gets to the central issue, and describes four questions that managers need to 'live' to be successful at reengineering their work. First, what is this business for? This question addresses purpose. The question needs to be asked because dramatic change is evidential over the world, and includes technological, economic and political change. Continuous change in the marketplace means change inside the business. Managers need to be asking if what they are doing is worth it, or if they should be doing something else. The second question is, what kind of culture do we want? Response to this requires development of a set of principles of desired behavior, based on deeply shared values and beliefs that show up in how the company and its people behave. As usual, managers have to lead the way and model the behaviors they wish others to exhibit. It may mean abandoning perfectionism in order to be experimental, or loosening control in order to show faith in others. The third question is how do we do our work? Champy points out that answering this question was the main focus of 'Reengineering the Corporation', and deals with how we invent, manufacture, distribute, sell and provide service.

However, this book focuses on how we manage all that value-adding work, and points out that managers should scrutinize their work just as thoroughly as they did the other work of their companies. The fourth question is what kinds of people do we want to work with? This deals with hiring and firing, and promotion and deployment. Champy argues that this is a question that people doing the work must share, and should not be left to remote personnel or human service offices.

The next eight chapters follow a simple format; one chapter looks at each of these four questions, followed immediately by a chapter of examples on how different businesses 'lived' or resolved the question. Champy calls these 'cases in point' and intersperses commentary between numerous examples. These are all short but relevant, and nicely illuminate his points.

Chapter four looks at the first question: What is this business for? He points out that "this chapter is devoted to the greatest management tool of all: leadership. And to the newest responsibility of leadership: to explain what's going on. To everyone" (p.39). Champy chooses to use the word 'purpose' rather than 'mission', because it represents a more fundamental examination of the business. The job for management is twofold: first, to reexamine and restate their purpose, and second, to use this statement fully to mobilize for change. These used to be called the 'hard' work of strategy, and the 'soft' work of changing behavior, but this differentiation diminishes one or the other, depending on your view of what is important. To cause change, both are equally important. Chapter five provides cases of how people decided what their business was for, and include examples from CIGNA HealthCare, PepsiCo's Pizza Hut, Host Marriot, and Barnes & Noble bookstores.

Managers need to ask themselves what kind of culture they want. Chapter six examines how values within a company make a huge difference to the 'feel' of the organization. Champy also points that with the flattening of hierarchies we have also lost the ability to 'climb' to the top, which affects many people's basic creative and ambitious impulses. For long periods, in the reengineered company fulfilling those ambitions may not be possible. One way we can change is to alter the way we place value on ourselves and on others, and to shift how we define our value within the workplace. Keeping a high level of morale in the middle of constant change is difficult unless we follow a set of values, and those values must include both work values (such as the willingness to accept and make decisions) and social values (such as the willingness to respect others and oneself). Champy points out that these two types of values may cause tension, for example, asking people to perform to their highest level of competence and then to be willing to be judged places a strain on trust, respect, and teamwork. This is where the company culture comes in. Unless "it is strongly supportive of trust, respect, and teamwork, social values will become purely personal and private, disappearing underground" (p. 80). Chapter seven provides cases in point about culture and values within organizations, including IBM, 3M, AT&T and Federal Express.

"Collaboration is . . . what we need to get our work done" (p. 111). Chapter eight examines how managers will go about doing their work in a reengineered organization. Champy argues that we have repeated the term 'empowerment' so often and mindlessly

that it has lost its power. He prefers to use 'enable', which means redesigning work so that people can exercise their skills fully. The broad categories of specifically managerial work do not change, such as enabling and communicating with workers. However, reengineering calls into question the traditional methods of these processes. Defining, measuring, mobilizing, and communicating may all be used as bases for management change within companies. Cases in point in chapter nine pulls examples from Detroit Edison, Hill's Pet Nutrition and Intel.

Chapter ten looks at how we figure out the kinds of people with whom we want to work. Champy points out that old style management used to be white, relatively well educated men, while labor was more often a mixed group of relatively uneducated men and women, often of different ethnic groups. It may have made sense, in the old model, for management to ignore how workers felt and thought as long as they did their jobs. However, this arrangement does not work anymore. In most American industries today, "the only social-status differences between managers and their employee 'associates' are created by income, not by class, ethnicity, or educational background" (p. 154). The key for managers today is how to choose the types of people with whom they need to work, how to choose who will do the judging, and how to figure out if it is possible to retrain or educate the people they already have into those they want (often called reskilling). Hiring processes used to be about filling a particular job description, today it is about finding people who are not only skilled, but who also will live up to, or aspire to, the values and culture of the organization. The hiring process has to reflect this shift, and today "it's not only what you know that counts, it's what kind of person you are" (p.157). Chapter eleven provides some interesting cases in point about how workers and associates are selected in reengineered companies, including Nucor, Blue Cross, Hannaford Brothers, and Frito-Lay. These examples show how the job of human resource management has moved to the front line.

Champy summarizes in chapter twelve by addressing the notion of "the second managerial revolution" (p.201). He argues that the first managerial revolution from the early 1920s addressed the shift of power. This second revolution is about 'freedom'. "It's the freedom to zig and zag: to change our strategies, our work and management processes, our business purposes, our minds. . . . And it's more obvious sorts of freedom, too: freedom from stifling hierarchies, from organizational 'slots' and 'boxes'" (p. 204).

Overall, the book address some useful ideas, and provides things to think about when taking a long bath. It points out the need to be thinking about the processes involved in our work, and not just blindly doing what we have always been doing. It is not meant to be a recipe book, i.e., do this and this and you will be a successful 'manager'. Champy does point out processes that we need to apply to be successful in managing change, which as always, is inevitable, and that is one of the most important lessons we can help our students understand. *Reengineering management* is one of those enigmatic texts that does not offer any solutions, but gives us a glimpse of how transformation is possible, and offers some suggestions for getting started.