Business process reengineering

Business process reengineering (BPR) is a management approach with the aim of making improvements through elevating efficiency and effectiveness of the processes that exist across the organization. The key to successful BPR is for an organization to look at business processes from a "clean slate" perspective for determining how these processes can be nest constructed to improve how business is conducted. The general steps in a BPR effort include:

1. Envision new processes
2. Initiating change
3. Process diagnosis
4. Process redesign
5. Reconstruction
6. Process monitoring

One harsh critique against BPR concerns the strict focus on efficiency - the people element seems to be disregarded. People often associate BPR with workforce reductions!

Leadership

Leadership is influencing people. It is a process by which one individual influences others toward the accomplishment of group or organizational goals. The impact of leadership can be dramatic. In fact, leaders as change agent are an important element in promoting and managing change in organizations. Because they can oversee the relevant players in the change process, they are in a proper position to observe both the development and implementation of effective change strategies.

However, leadership and management are two notions that are often used interchangeably even though these words actually describe two different concepts. A distinction between leadership and management is that managers perform functions such as planning, organizing, staffing, etc., whereas leadership deals with producing influence. A manager may have obtained a position of authority through time and loyalty given to the company, not necessarily because of leadership capability. By contrast, a leader may have no organizational skills but it is their vision that unites people to follow. In practice, leadership differs from management in that it makes the followers want to achieve high goals, rather than simply ordering people around. The main distinction between leadership and management is the idea that employees willingly follow leaders because they want to, not because they have to.

Leadership style refers to the manner and approach of how one provides direction, implements plans, and motivates people. The most commonly seen styles of leadership include Authoritarian (autocratic), Participative (democratic) and Delegative (Free Reign). The authoritarian style should not be used unless on rare occasions. If you want to gain more commitment and motivation from your team members you should use the participative style, which gives your team members the opportunity to participate in making decisions. The delegative style goes one step further - it actually gives your team members the power to make decisions on behalf of you! You may use this style only if you have the full trust and confidence in the people under your supervision.

<u>Other styles:</u>

- A Charismatic Leader gathers followers through dint of personality and charm.
- A servant leader serves others rather than others serving himself.
- With a quiet leader, his actions speak louder than his words.
- With Transactional Leadership it is believed that people are motivated by reward and punishment. Positive leaders use rewards to motivate employees. In contrast, negative employees emphasize penalties.

- With Transformational Leadership you get things done through inspiration - through injecting enthusiasm and energy.

Transactional leaders guide their followers by clarifying role and task requirements and use rewards to motivate and focus employees on routine performance. In contrast, transformational leaders make use of their charisma and vision to inspire employees to rise above self-interest in organizations. There are two components of transactional leadership. They are contingent rewards (e.g., leader provides rewards if subordinates perform adequately) and management by exception (e.g., as long as goals are met the leader does not seek to change any of the existing work methods). It entails an exchange between leaders and followers, and is based on contingency in that reward or punishment is contingent upon performance. Despite receiving considerable attention, transactional leadership theories are often limited to describing and analyzing organizational rewards and punishments that affect employee performance. Still, transactional leadership remains as a highly popular approach for modern managers.

Over the last two decades, the idea of transformational leadership has challenged traditional notions of leadership and with its emphasis on vision and employee empowerment, and has become a popular model of leadership in progressive companies today. It focuses on developing mutual trust, fostering the leadership abilities of others, and setting goals that go beyond the short-term needs of the work group.

Motivation refers to the processes that account for an individual's intensity, direction, and persistence of effort toward achieving a goal. There are 3 factors here:

- Intensity refers to how hard an employee tries.
- Direction refers to whether an employee's effort would benefit the organization.

- Persistence is about how long an employee can maintain his effort.

Motivation is generally not observable as it is quite internal to each employee. It is rather personal even though the overall motivational process is common and is goal directed.

Corporate structure and governance

A board of directors is the group of people elected by the owners of an organization. They have decision-making authority, voting authority, and specific responsibilities which in each case is separate and distinct from the authority and responsibilities of owners and managers of the organization. Under most legal systems, the appointment and removal of directors must be voted upon by the shareholders in general meeting, although in practice the directors can leave office through resignation or death. In some legal systems, directors may also be removed by a resolution of the other directors with or without cause, depending on the jurisdiction.

The authority of a director may come in implied and authorized form. The latter may be detailed in the appointment letter and/or the job description, while the former may need a little bit of flexibility. After all, you cannot call for board meeting on every decision to be made. You may, however, use a Statement of Reserved Power to outline the levels of authority granted to the directors.

Since the organization is run for the benefit of its shareholders, strict duties are imposed on these directors in relation to the exercise of their duties. These duties are known as fiduciary duties. The duties are primarily owed to the organization itself. Directors could be held personally liable in areas such as safety, data protection, negligence and the like. Resignation would not relieve the directors