

UNIT 7 — CHANGE MANAGEMENT & ORGANIZATIONAL IMPACT

This unit answers one critical question:

If BPR ideas are so powerful, why do so many reengineering efforts fail?

The answer is: **people, culture, power, and fear**, not technology.

7.1 Why Change Management is Central to BPR

Key idea

BPR is **not just process change** — it is **organizational change**.

When you redesign a process, you also:

- Change roles
- Remove jobs or authority
- Shift decision power
- Alter identity and routines

This makes BPR **emotionally and politically disruptive**.

Definition

Change management is the structured approach used to help individuals, teams, and organizations transition from the **current state (as-is)** to the **future state (to-be)** while minimizing resistance and performance loss.

Why BPR needs stronger change management than incremental change

- BPR is radical
- BPR breaks long-standing rules
- BPR removes middle layers

- BPR questions “how we’ve always done things”
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Typical exam question

Q. Why is change management more critical in BPR than in incremental improvement initiatives?

Because BPR introduces radical, organization-wide changes that disrupt existing roles, authority, and routines. Without managing human reactions and resistance, even technically sound redesigns can fail.

7.2 Resistance to BPR

Definition

Resistance to change is the natural human reaction to perceived threats caused by organizational change.

Resistance is **normal**, not irrational.

Major Sources of Resistance (must know)

1. Fear of job loss

- Automation
- Role elimination
- Downsizing (common in BPR)

Example:

Ford reduced Accounts Payable staff by ~75%.

2. Loss of power and control

- Fewer approvals
- Flattened hierarchy
- Decision automation

Managers often resist because:

“If the process decides, what is my role?”

3. Fear of incompetence

- New technology
- New skills required
- Unlearning old methods

People fear being exposed as “not good enough”.

4. Cultural inertia

- “This is how we do things here”
 - Comfort with routine
 - Habitual workflows
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5. Uncertainty and ambiguity

- Unclear future roles
 - Incomplete communication
 - Lack of trust
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Exam question

Q. Identify and explain sources of resistance in BPR initiatives.

Resistance arises due to fear of job loss, loss of authority, skill gaps, cultural inertia, and uncertainty about future roles. These concerns make employees defensive even when redesign improves efficiency.

7.3 Cultural Impact of Radical Change

What is organizational culture?

Culture is:

- Shared beliefs

- Norms
- Unwritten rules
- “How things really work”

BPR directly attacks these unwritten rules.

Cultural clashes caused by BPR

Old Culture	BPR Culture
Control	Trust
Hierarchy	Process ownership
Specialization	Multi-skilled roles
Paper-based	Digital-first
Stability	Continuous change

Example

Old belief:

“Customers cannot be trusted.”

New belief:

“Customers can self-serve using digital tools.”

(Starbucks mobile ordering is a clear illustration.)

Exam question

Q. How does BPR challenge organizational culture?

BPR challenges deeply embedded norms such as hierarchical control, functional silos, and reliance on manual approvals by replacing them with process ownership, trust-based automation, and end-to-end accountability.

7.4 The Concept of “Unlearning” (VERY IMPORTANT)

This was explicitly discussed in your class.

Definition

Unlearning is the deliberate process of letting go of outdated assumptions, habits, and mental models that no longer fit the current environment.

BPR requires **unlearning before learning**.

Why unlearning is difficult

- Old methods once worked
 - Success reinforces habits
 - People confuse experience with correctness
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Examples of unlearning

1. **Keyboard → Touchscreen**
People had to unlearn physical typing logic.
 2. **Physical ordering → Digital ordering**
Customers and staff unlearn face-to-face dependency.
 3. **Teaching example (class discussion)**
Moving from one-way lectures to collaborative knowledge exchange.
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Key insight

Innovation fails when people **learn new tools but keep old thinking**.

Exam question

Q. Why is unlearning essential for successful BPR?

Because BPR challenges foundational assumptions about how work is done. Without unlearning outdated beliefs, organizations simply automate old practices instead of embracing fundamentally new ways of operating.

7.5 Public vs Private Sector BPR Challenges

This is a **classic theory question**.

Private Sector BPR

- Profit-driven
 - Faster decision-making
 - Higher tolerance for risk
 - Strong incentives
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Public Sector BPR

- Bureaucratic
 - Political oversight
 - Job security concerns
 - Risk-averse culture
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5 Key Differences

Aspect	Private Sector	Public Sector
Objective	Profit, efficiency	Accountability
Flexibility	High	Low
Risk tolerance	Higher	Lower
Political influence	Minimal	High
Speed of change	Faster	Slower

Why public sector BPR often fails

- Resistance from unions
- Political interference

- Lack of incentives
 - Fear of public backlash
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Exam question

Q. Why is BPR more challenging in the public sector?

Because public sector organizations operate under political scrutiny, rigid rules, and job security guarantees, making radical change difficult despite potential efficiency gains.

7.6 Critical Success Factors (CSFs) in BPR

These are **checklist answers** examiners love.

1. Top management commitment

Without senior leadership support, BPR collapses under resistance.

2. Clear vision and communication

People must understand:

- Why change is happening
 - What will change
 - How it affects them
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3. Process ownership

Clear accountability across departments.

4. Employee involvement

Involving staff reduces fear and increases acceptance.

5. Training and skill development

Prepares employees for new roles.

6. Data-driven justification

Reduces emotional resistance and political pushback.

Exam question

Q. Identify critical success factors for BPR implementation.

Successful BPR requires strong leadership commitment, clear communication, process ownership, employee involvement, training, and data-driven justification to overcome resistance and ensure sustainable change.

7.7 BPR Failure Factors (EXAM FAVORITE)

Common reasons for failure

1. Technology-driven redesign
 2. Lack of change management
 3. Ignoring culture
 4. Poor communication
 5. No performance measurement
 6. Resistance from middle management
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Key warning (from your instructor)

“Don’t obliterate driven by technology.”

Technology **enables**, it does not **justify** redesign.

Exam question

Q. Why do many BPR initiatives fail despite sound technical design?

Because organizations underestimate human resistance, cultural inertia, and political dynamics, focusing on technology rather than managing behavioral and organizational change.

7.8 Social, Political, and Ethical Impact of BPR

Social impact

- Job displacement
 - Skill mismatch
 - Stress and uncertainty
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Political impact

- Power shifts
 - Loss of managerial authority
 - Internal conflicts
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Ethical considerations

- Fair treatment of employees
 - Transparent decision-making
 - Responsible automation
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Example

Replacing agents with kiosks:

- Improves efficiency
 - Raises employment and ethical concerns
 - Requires retraining or redeployment plans
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Exam question

Q. Why must organizations consider social and political impacts when implementing BPR?

Because radical process changes can disrupt jobs, power structures, and morale, leading to resistance or backlash if ethical and social concerns are ignored.

UNIT 7 — CONSOLIDATED EXAM QUESTION BANK

1. Why is change management critical in BPR?
2. Identify sources of resistance to BPR.
3. Explain the cultural impact of radical redesign.
4. What is unlearning and why is it important?
5. Compare public and private sector BPR challenges.
6. Identify critical success factors for BPR.
7. Why do BPR initiatives fail?
8. Explain social and political implications of BPR.
9. Discuss the broader impacts of BPR