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## Restructuring and business re-engineering, strategies for reviving business organizations

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### Abstract

The research aims to study the approach to restructuring in organizations and re-engineering processes that have always had an effective role in achieving goals in organizations, and which help senior and middle management in the organization to overcome the obstacles they face, which may affect the efficiency of the organization within the work environment, as well as The research deals with strategies for reviving organizations that would control and support the organization in dealing with the dynamic environment that is usually characterized by global complexity that requires dealing with it without the need to change the organization's goals. Restructuring is a phenomenon that includes many dimensions, which requires special practices that must be for the manager to be familiar with it, therefore, there was a need to address this approach and explain it in order for it to be a guideline that facilitates decision-making processes. The prominent research also reached results represented by the fact that despite the abundance of research and studies on the subject, it remains one of the modern topics that can be researched because of its importance in maintaining. Organizations, as it was found, that business re-engineering involves changes in people, processes, and technology. The research showed that processes can be re-engineered through five sequential steps.

**Keywords:** Restructuring, organizations, re-engineering processes, achieving goals, senior

### Introduction

Recent economic crises have emphasized the need for businesses to respond to unexpected events and downturns in order to ensure economic sustainability, which has become a daily concern; Thus, making corporate restructuring a central topic for both academics and practitioners. In particular, there is a growing interest in understanding the effectiveness of turnaround strategies, which are defined as attempts to restore corporate performance after periods of decline. The importance of this topic has been underscored by the recent global economic crisis that has severely affected many companies around the world.

Re-engineering business processes increases an organization's opportunity to survive in competition between organizations, but the failure rate among re-design efforts is high, so there is a need for new methods that reduce failure. In this research, a method of business process re-engineering was presented that uses the presence model. Foundation for current modeling. The system's goal is to improve the analysis of the current system and reduce the failure rate of business reengineering and the cost and time of implementing operations.

Re-engineering has emerged as an integrated philosophy that attempts to achieve qualitative breakthroughs and continuous improvement in both public and private sector institutions. One of the latest developments in contemporary administrative thought is the production of new concepts and practices for managing organizations, and process re-engineering is one of the most prominent of them, after several pioneering organizations were able to achieve outstanding results. In the world of continuous development and improvement, other organizations in various parts of the world and in various sectors were quick to embrace this new management method and employ it to develop their various areas of work.

### First: The Concept of Restructuring Concept of Restructuring The concept of restructuring

Restructuring is a complex phenomenon that includes many dimensions and transactions, such as selling a business division or changing the capital structure.

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The available literature distinguishes between four types of restructuring strategies or methods depending on the measure adopted: managerial, operational, asset/strategic and financial. In the case The first Interventions involve changes in the senior management team. Includes case the second Measures necessary to restore efficiency and profitability (e.g. product portfolio rationalization and cost reduction). In the case third, interventions relate to assets owned by the company or business lines in which the company operates (such as the sale of a business division). The final set of measures includes financial components related in particular to introducing fundamental adjustments to the capital structure. Examining the success of such interventions requires multi-period analyses (Danovi, 2018:1) [18].

As for the concept of restructuring, it is still a subject of debate and debate that has not been settled or agreed upon due to the diversity of the nature of the topic, the incompleteness of the intellectual vision, and its connection to all aspects of the company. Despite this, researchers in the field of management, organization, and strategy have cited different concepts depending on their viewpoints and the nature of their perception of the topic, and among these concepts are:

(Hill, *et al.*, 2015:2) [19] It is the process of liquidating unimportant business units and industries, focusing on the company's core business, and rebuilding its distinct competencies

(Guha, 2018:2 & Yadav) [20] Business restructuring is the process of significantly changing the business model, management team, or financial structure to meet challenges and increase shareholder value. The word restructuring according to the Oxford Dictionary means "to give a new structure, to rebuild or rearrange." Restructuring helps in improving profitability at the same time, it also helps in reducing cost. Today, growth and survival depend on planning, formulating and implementing various restructuring strategies.

He knew her (Shin, 2017:5) [21]. It is a group of critical and separate processes to increase the company's competitiveness and enhance its value and is carried out at different levels in the company.

He pointed out (Fleming, 2017:15) [3] It is a major redesign or restructuring of the internal administrative structure related to the management change program approved by the company.

(Riany *et al.*, 2012:199) [13] It is the art of reorganizing the legal, ownership, operational, or other divisional structures with the aim of making them more profitable and better organized to meet the needs of customers

### The Importance of Restructuring the Importance of Restructuring

The shift from bureaucratic methods to more flexible and leaner designs has given academics a lot of interest in restructuring not only Because she Related to a wide range of structural changes, But Because of its implications for companies to adjust strategies related to the dynamic business environment, enabling companies to create and retain competitive advantages that enable companies to obtain core competencies, organizational restructuring has thus increasingly become an essential element of managerial life and a common phenomenon throughout the world and an unprecedented number of Companies organize their

teams, restructure their assets, and streamline their operations in an attempt to stimulate organizational performance (Moronge, 2016: 573 & Ongwae) [12].

### Restructuring Objectives the Importance of Restructuring

The use of the restructuring process by managers in many companies contributes to reducing costs, increasing productivity and revenues, employee well-being, increasing shareholder wealth, enhancing efficiency, improving performance, and restructuring debts, which is considered financial restructuring. This process allows private or public companies facing cash flow problems and financial distress to reduce and renegotiate accumulated debts in order to improve or restore liquidity and financial rehabilitation so that they can continue their operations as well and obtain innovative and advanced management practices. Therefore, the restructured company effectively, it will theoretically be leaner, more efficient, better organized, and more focused on its core business (Riany, *et al.*, 2012: 199) [13].

As he pointed out (Malacic & Malacic, 2016:12) [25] the restructuring of companies includes a set of objectives, which are as follows:

1. Diagnosing and analyzing the current situation and analyzing accelerating events at a high pace
2. Analyze the long-term survival possibilities of the company
3. Rationalization of operating costs
4. Redefining corporate, business and functional strategies
5. Selling unnecessary assets
6. Reorganizing the business and increasing the value of the company

Restructuring is subject to strategic management techniques used to rationalize a company's activity, leading to fundamental changes in corporate strategy and structure in an effort to improve competitiveness within a clear framework (such as reorientation or planned growth). When restructuring a company, it is usual to apply a wide range of methods and methods related to strategic and tactical tasks until the desired goals are achieved. (Tamošiūnas, 2017:39) [17].

Operational restructuring aims to restore efficiency and profitability by reducing and dissipating costs, rationalizing the product portfolio and optimally reconfiguring the workforce. In general, operational restructuring is one of the first measures adopted by a distressed company because it is the easiest to implement. This strategy is especially useful when the company is experiencing problems (Danovi, *et al.*, 2018:1) [18].

### Justifications for restructuring

Be seen (Marais, 2011:18) [1] The restructuring process is imposed by external conditions and environmental developments that are a response to those conditions, including:

1. **Globalization:** the transition from local economies to global economies
2. **Diversity:** Workplaces and markets are becoming more diverse
3. **Flexibility:** Fewer rules and procedures and more need for a flexible workforce
4. **Fixed assets (flattened structure):** Weak management, worker empowerment becomes more

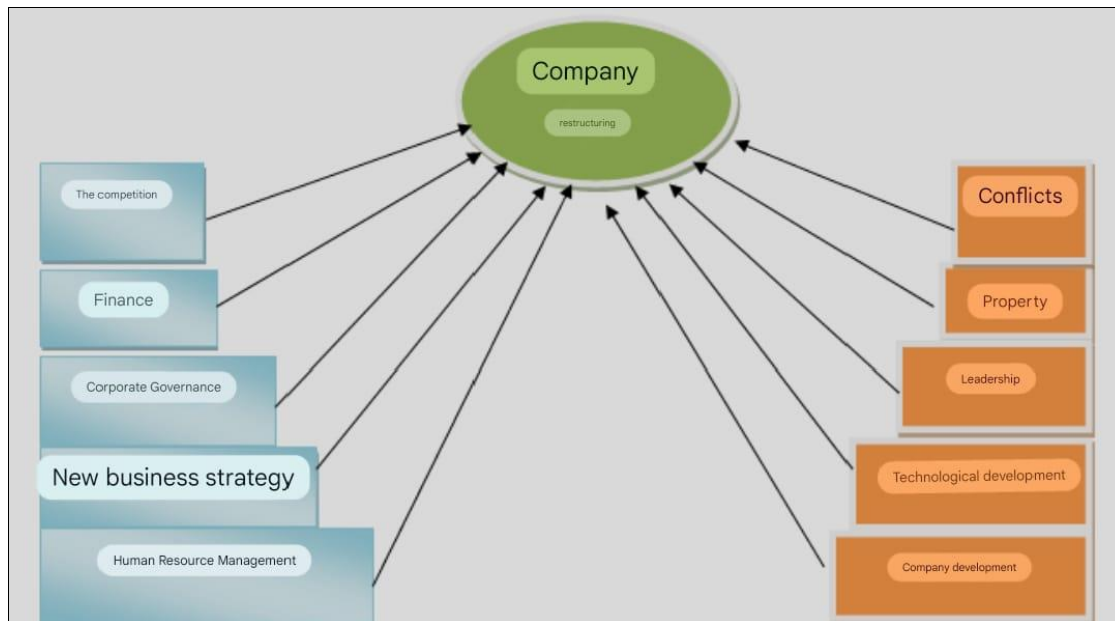
prevalent

5. **Networking:** New information technology has enabled new strategic alliances, and direct communication between companies

As he explains (Jha, 2011:14) <sup>[7]</sup> A set of justifications, including (consolidating the organization so that it can encourage a culture of initiatives and innovations, increasing focus on the core areas of work and getting closer to customers, as well as reducing cost, reducing the level of hierarchy, speeding communication, and reshaping the company to suit the current situation and the events and developments taking place., or to develop the company according to the guidelines set by the owner or president.

While he pointed (Srivastava & Mushtaq, 2012:4) <sup>[5]</sup> There are a set of justifications or reasons that push companies to undertake the restructuring process, including changing financial and governmental policies, such as abolishing regulatory controls / removing restrictions, pushing many companies to open new markets, focusing on core business and developing relationships and alliances between companies, as well as reducing risks. Through diversification in business and creating the economic value of currencies and foreign exchange rates.

As explained (Thang, 2014: 293) <sup>[6]</sup> the reasons for restructuring are (competition, finance, corporate governance, conflicts, leadership. etc.) and I explain them as follows: -



Appearance (1) Reasons for restructuring

### Dimensions of restructuring

There are basic dimensions to the restructuring process, as most of the organizations' trends were towards downsizing, merging, abolishing and modernizing, in addition to increasing the efficiency and effectiveness of the management team through major changes in the organizational structure, due to changing division boundaries, reducing hierarchical levels, expanding the scope of control, administrative reform, and reducing the number of employees, so the following basic dimensions of restructuring are:

#### 1. Reducing the size

The process of downsizing the organization can be viewed as a legitimate restructuring strategy, after it was previously seen as an indicator of the deterioration of organizations. Downsizing is a reduction in the organization's staff and sometimes in the number of work units, and it may or may not affect the content of the organization's strategic work. Therefore, downsizing will be an intentional progressive strategy. The process of downsizing is also one of the most difficult processes facing decision makers, because of the pain it causes to some workers due to losing their jobs. However, there are environmental forces that constantly affect the organization, and then the organization will find itself in a vicious cycle of decline and stagnation through its inability to control. In its fate and control of working conditions,

when it will resort to organizational restructuring through several processes such as downsizing, which is one of the most difficult organizational tasks. (Baker & Schiro (2009: 93) <sup>[17]</sup>.

Downsizing has been defined as "the radical, planned change of organizations to increase efficiency and effectiveness, create innovation and increase competitiveness." (Gross 2015: 27) <sup>[16]</sup> and he knew him Zubanov It is "a set of plans for organizational policies and practices that aim to reduce size with the aim of improving the performance of organizations. This process is often simultaneous with redesigning the organizational structure." (Zubanov, et al., 1: 2016) <sup>[15]</sup>.

Reducing the size leads to achieving the organization's goals by reducing the workplace, which transfers skilled work groups to more valuable work when the organization faces difficulty in the organization's internal units performing their activities, which calls for it to reduce its size and get rid of the units that are low in performing their work. This is called a change strategy. Organizations to remain able to survive and continue competing (Gross 2015: 25) <sup>[16]</sup>.

#### 2. Reducing the range

Reducing the scope works to reduce the number of administrative levels of the organization, in order to facilitate the flow of information to and from senior

management, thus facilitating the flow of decision-making, and giving an opportunity for level managers to be empowered and benefit from their abilities, skills, experience, and resources in the decision-making process. (Gibson, 2003: 481) <sup>[11]</sup>. By comparing scope reduction with size reduction, it becomes clear to us that scope reduction is a positive process and increases the efficiency of the organization. Scope reduction refers to the abstraction or removal of work that is not related to the organization's core business."0 An organization that reduces scope usually automatically reduces size, although it does not remove key individuals from its primary work so as not to affect its efficiency.

### 3. Hybridization of the structure

ConfirmMintzberg The necessity of multiple forms of structural organization when the organization faces diverse circumstances and multiple competitive situations (Mintzberg 1996: 361) <sup>[2]</sup> As many organizational structures in the world should not be in the formulas known about the types of organizational structures, since each type of structure is characterized by certain characteristics that are suitable for achieving its goals, and in a complex environment such as the current environment, organizations have often used hybrid or composite structures for the purpose of benefiting from points The strength of various structures and avoiding their weaknesses through the integration of their characteristics and qualities (Daft 2001: 112) <sup>[18]</sup> Hybrid organizations need to design and manage post-hybrid businesses, strategies, and relationships to maintain consistency between them to confront tensions between differences in logics and conflicting identities, as hybrid organizations tend to combine two different identities or logics by merging core businesses. (Skelcher & Smith 2015: 434:) <sup>[4]</sup>,

### Main restructuring strategies

Here are some key restructuring strategies: (Yadav & Guha (2018:3) <sup>[20]</sup>

1. **Merger:** When two companies join together to form one company, it is called a corporate merger either by merger or absorption. Mergers may be:
  - **Horizontal Merger:** When two or more companies compete in the same industry, it is a horizontal merger.
  - **Vertical merger:** When there is a combination of two or more companies in the same business but operating at a different stage of production.
  - **Joint merger:** When two companies that operate in the same business or are in the same business but do not offer the same products merge.
  - **Conglomerate merger:** It is the merger of two companies or companies with unrelated products and types of activities.
2. **DisassemblerSpin-off** is a form of corporate restructuring in which the business entity is separated into one or more components. It is the opposite of a merger or acquisition
3. **Reverse merger:** It is one of the ways to become a public listed company, in this way the private companies bearing its name obtain the majority of the shares of the public company.
4. **Not investing:** A sale is the sale or liquidation of a company or an asset of a government or organization. It is also called "equity liquidation."

5. **Acquisition:** A takeover is also known as a takeover. Upon acquisition, the buyer assumes full control of the target company. There are two types of takeover: friendly takeover and hostile takeover.
6. **Joint venture:** A joint venture is an entity consisting of two or more companies with a common goal, with a functional or project-based activity.
7. **Strategic alliance:** A strategic alliance is an activity formed by companies with the common goal of acting independently.
8. **Sell recession a recession sale** is used by a company to sell all its assets and liabilities for a lump sum amount, and it usually occurs when a company wants to dispose of its large owned or wholly owned units.
9. **Franchise Franchisee:** It is a strategy whereby an agreement is concluded by two parties, the franchisor and the franchisee, to use the name, trademark, system or business process of the other party.

### Second: Business re-engineering

In the BPR method, we must first map out the outcomes of the clinical process and analyze them into activities involved in the process. The particular process is called the "as is" process. Within a given clinical process we should identify all non-value-added activities and unnecessary steps. By analyzing the "as is" process, bottlenecks will be identified. The new clinical process called the "to be" process should then be modelled. In some cases modifying the process is not enough and may need to be redesigned or even eliminate the wasteful activity altogether. (Khodambashi, 2013:951) <sup>[38]</sup>

(Oprean, 2014:815)) <sup>[39]</sup> In the context of organizing and reorganizing business enterprises, organizational engineering characterizes itself as a method (re) Designing organizational structures, According To the requirements of the dynamics of the business environment and to enhance the market values of companies involved in the operation of economic and financial mechanisms. The main goal of organizational architecture is to adequately satisfy customer requirements, make the enterprise profitable, by linking internal structures with those created through the management of business relationships with third parties, using the advantages of new information and communication technologies, implemented within computer networks. Through the steps taken, organizational engineering, as a component of modern management, can be defined as a creative way to rethink structures, through:((Oprean,2014:816)) <sup>[39]</sup>

1. (re) Defining organizational structures in order to create flexible structures that can be easily adapted to the changes occurring within the business environment as well as implementing new components according to the principles of system reengineering and the use of effective technologies;
2. Critical analysis of real value circuits and flows, those of information flows and decision making taking into account the mutations introduced within the organization by the process of integrating new technologies;
3. Thinking and creativity/ Creativity regarding potential structures taking into account operating costs and potential revenues, as well as the needs and capabilities of the company;
4. The choice Decision making regarding alternative

organizational structure, internal rules and regulations appropriate to the actual existence and performance of the company and the requirements of the organization's objectives that must be met in the medium term. And the long one.

Performance measurement can help in the process of the future" helps compare an organization's process performance to find areas that require changes and redesign. Also, such as process "as it is" "We can deploy an activity-based costing tool to evaluate scenarios." the future "The different and trade-offs between important factors to determine the best scenario." The future". You must confirm the operation. "to be" by the process owner before implementation based on the best practices identified in designing the "to be" process. Performing a simulation based on the "to be" scenario may be useful to reduce errors and avoid a lot of expenses.

Business re-engineering is A tool for process change and management. Hence, it is important to develop a basis regarding the need for change and why companies should bring about change. Business process redesign is only one aspect of process management. At least three types of process management can be identified: outbound business management; Improved business management; Business process reengineering management (internal and external) (Bhaskar, 2018:65))<sup>[40]</sup>.

### Definitions of business reengineering

Many authors have tried to explain BPR, but it is important to note that the world is moving towards global competition and companies and organizations around the world are adopting strategies and mechanisms to understand the impact of BPR on a variety of variables such as service, quality, cost and cycle time. The concept of re-engineering was introduced in the early 1990s, specifically in 1993 before Hammer and Champy Their book is titled: A restructuring statement for a revolution in the business world. They defined reengineering as the fundamental rethinking and redesign of a business to achieve significant improvements in contemporary performance measures such as cost, time, quality, service, and speed. BPR has been in use for a year 1990 and has widely achieved many advantages, such as increased production, reduced costs, improved products and increased customer satisfaction. There are many different definitions of reengineering and these definitions vary in emphasis (Khashman, 2019:133).

BPR has been defined as "the radical redesign of processes for significant improvements in costs, quality, and services." (AbdEllatif, *et al.* 2017).

Pointed out (Eardley *et al.* 2008: 630) Until some definitions viewed business reengineering as a radical restructuring, such as: "It is the fundamental rethinking and redesign of processing processes and organizational structure by focusing on the core capabilities of the organization to achieve dramatic improvements in organizational performance." This was confirmed previously (Bratton & Gold, 2003:136) When he pointed out that the business process re-engineering movement emphasized organizational structures and the way in which work is structured according to radical change so that the re-engineered organization becomes capable of adapting and oriented towards continuous change and innovation, and according to Champy James Business process reengineering

is about management work: the way of thinking, organizing, inspiring, deploying, enabling, measuring and rewarding the operational work that creates value. It's about changing the administration itself.

Business process reengineering is defined as "a management approach that rethinks existing business practices and processes and their interactions. It attempts to improve the efficiency of the basic process by applying fundamental and radical approaches by either modifying or eliminating non-value-added activities and redeveloping the process, structure and culture," usually Business process engineering as an integrated and systematic approach, promotes the analysis and redesign of jobs, work flows and organization structure to improve service quality and cause cost and time reduction. (Khodambashi, 2013:951)<sup>[38]</sup>.

Michael Hammer and James Champy also introduced Reengineering in a book Enterprise re-engineering "Reengineering is the fundamental rethinking and redesign of business processes to achieve radical improvements in critical contemporary performance metrics, such as cost, quality, service, and speed." (Francis, 2008:2)<sup>[36]</sup>.

According to Hammer & Champy (1993) There are three types of companies that perform business process reengineering: ((Bhaskar, 2018: 68))<sup>[40]</sup>

- Firstly Companies that find themselves in a difficult situation. They are in a situation that can be described as a crisis. They have no choice. If a company's costs are higher than its competitors or higher than its business model, if its customer service is very poor, customers will openly oppose it; If the product's failure rate is higher than the competitor's, it is clear that the company needs to re-engineer its business processes (Bhaskar & Singh (2018)<sup>[40]</sup>.
- Secondly there are companies that have not yet faced problems, but their management has the foresight to see the problems coming. At the moment, financial results may seem satisfactory, but storm clouds loom on the horizon in the form of new competitors, changing customer requirements or characteristics, technological breakthroughs, or a regulatory environment. Or a changing economic situation that threatens to sweep away the foundations of the company's success. These companies have a vision to start business reengineering in advance to avoid getting into trouble. (Bhaskar & Singh (2014)
- Third the corporate reengineering processes are those that are at their best now. They have no obvious difficulties, either now or on the horizon, but their management is ambitious and aggressive. These types of companies see reengineering as an opportunity to strengthen their lead over their competitors. By enhancing their performance, they seek to raise the competitive level higher and make life more difficult for their competitor (Hammer & Champy (2009).

He mentioned (Sharma, 2016:194)) Reengineering is the most misused term in the corporate world, almost every function in major companies goes through a transformation process to create a function that can play this new strategic role while successfully performing its other roles. An attempt to facilitate organizations to review their resource processes and functions and work towards three basic elements of HR

1. Employee productivity

2. Value Added
3. Cut costs

Reengineering almost always results in a reduction in headcount, although it is not the goal. So process reengineering can sometimes be mixed with other employee concepts related to downsizing such as automation, downsizing, restructuring, etc. (Purwadi, *et al.*, 2015:104)<sup>[41]</sup>.

### Components of implementing business reengineering

The success or failure of any change strategy, including business process reengineering, depends on basic components. In general, it includes four main components, according to: (James, 1995: 58) these are operations, strategic vision, human resources, and information technology. The strategic vision and operations show the basis that contributes to the effective use of information technology and the redesign of human resources activities. BPR is not downsizing, restructuring, reorganizing, automation, new technology, etc., it is examining and changing five key components of a business. (Bhaskar, 2018:66)<sup>[40]</sup>.

1. **The strategy:** Knowledge of organizations' strategies that can be used as a basis. This approach helps choose the appropriate process for reengineering and determines how and how much to reengineer (Wachira, 2013)<sup>[42]</sup>.
2. **The operation:** Processes are self-contained workflow patterns where there is an input for a series of actions and an output. A business process can be defined as the type of good that flows through the system. It focuses on the entire processes, say from the conceptual stage of a product to the design of the final product (Bhaskar, 2016).
3. **The Tool:** Enabling (Technology): Information technology plays a central role in business reengineering by providing the way to achieve amazing performance in organizational systems, but it can easily be misplaced. Modern IT is part of the reengineering effort, which is a key enabler because it allows companies to reengineer the business. Information technology played a vital role in the success of the reengineering initiative. Thus information can be facilitated by adopting information technology to improve integration in different functional areas. Top managers always consider IT as one of the potential sources of competitive advantage Attaran (2004)<sup>[43]</sup>.
4. **Organization:** The restructuring effort leads to changes that are multidirectional in nature. Job designs, organizational structures, management systems – everything associated with the process must be redesigned in order to maintain a cohesive work system (Gupta *et al.*, 1999)<sup>[44]</sup>.
5. **The culture** Managers motivate employees to rise to the challenge by supporting the new values and beliefs required by operations (Gutierrez (2001)<sup>[45]</sup>. In other words, management must pay attention to what is on people's minds as well as what is happening in their workplace. This includes motivation, empowerment, training, etc. (Stoica *et al.* 2004: 3)<sup>[46]</sup>.

### Steps for business reengineering

It has been determined five Steps in implementing business

re-engineering. It includes defining the vision, defining the process, understanding the existing process, defining the methodology, and preparing a prototype. In step The first (Define the vision), the BPR goal should be defined such as reducing the process cycle time based on customer needs. In step the second "Process Definition", we should declare which process should be redesigned based on the analysis of cost or revenue generation of the process. Methods such as high-impact and holistic approaches can help in process selection. The high-impact approach focuses on the most important process necessary for redesign based on selected criteria. In the holistic approach, we must first identify all processes and then prioritize their redesign. Aim a step Third "Understanding the process" prevents recurring and outdated errors based on measuring the current process and providing a basis for future improvement. In step Fourth (Determine the methodology), it is necessary to determine a methodology for carrying out the redesign process. There are some tools and techniques available to help us in the redesign process, which vary from problem analysis, solution testing, and workflow diagram. Step Fifth After choosing the methodology we must design a prototype of the new process. This means that we must design a prototype of the future process before implementation (Khodambashi, 2013: 952)<sup>[38]</sup>.

### Objectives and importance of business reengineering

The main goal of re-engineering is to achieve dramatic improvements in cost, quality, service and speed. Re-engineering methods is the latest way to increase performance; It is a comprehensive and systematic approach that leads to a set of fundamental solutions, a fundamental rethinking and redesign of work and business to achieve radical improvement<sup>[2]</sup>. Reengineering is built on the idea of breaking the current paradigm and way of thinking (Purwadi, *et al.*, 2015:104)<sup>[41]</sup>.

As for the importance of business process reengineering, the topic of business process reengineering is one of the topics that is receiving widespread attention these days, and its importance is highlighted in the following points: (Sarkar, 2005: 45)

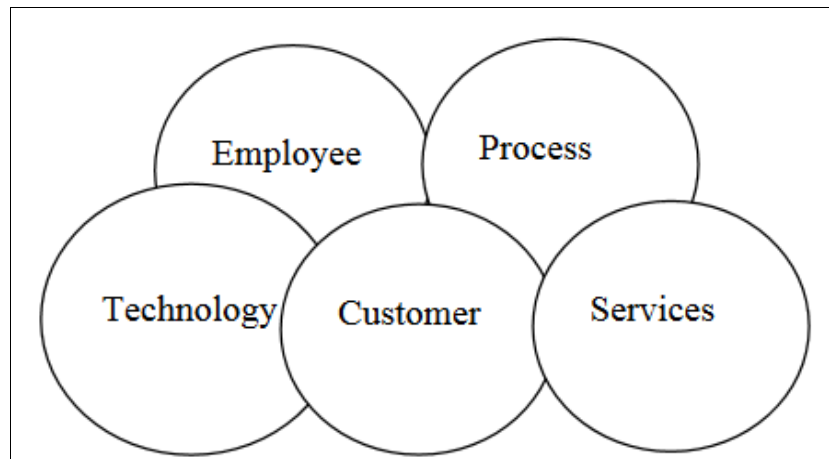
1. A fundamental rethinking of ways of working that leads to improved productivity and the provision of high-quality services.
2. Reporting the level of satisfaction of individuals working in the organization. Create creative thinking by coming up with new ideas. Improving performance economics by providing greater production at lower capacity.
3. Engineering changes the prevailing organizational culture. So that good performance and customer care become priorities for employees.
4. An approach that refers to creativity in the methods of conducting business operations.
5. A new way to accomplish strategy and a recipe for competitive advantage.

### Re-engineering activities

Indicates (Al-Mashari & Zairi, 2000)<sup>[50]</sup> BPR involves changes in people (behavior and culture), processes and technology. Reengineering is the rapid and radical redesign of an organization's processes, services, policies, and organizational structure. It can be defined as the art of changing the way an organization thinks and, therefore,

doing things in a radical way. The ultimate goal of management re-engineering is to provide customer satisfaction through efficient and effective services, and to establish a set of efficient and effective processes for the organization. The activities that constitute business management can be classified into three categories, namely

process design, process implementation and process control. It has three main target areas; (1). Customer relations (2). effectiveness; And (3). efficiency. In order for BPR to be successful, employees and management must be motivated to achieve the vision and goals. (Francis,2008:2) <sup>[36]</sup>.



**Fig 1:** Re-engineering Cycle

Francis, A. T., & Humayoon Kabir, S. (2008) <sup>[36]</sup>. Re-engineering the management of human resources in university libraries, pp:2

As he pointed out (Harb & Abazid, 2018:100) <sup>[37]</sup> Key features of BPR: fundamental rethinking, radical redesign and dramatic results, of processes. Their interpretation is as follows:

1. **Fundamental rethinking:** It means that it is time for every organization and every individual to look at the way they work, review what they are doing and ask themselves: Why are they doing it? Is this work valuable? Could it be done better? All of these questions are posed by the principle of business re-engineering in a scientific way that helps organizations reach answers to these important questions.
2. **Radical redesign:** BPR involves radical solutions to current business problems, which distinguishes BPR from other management concepts that often seek urgent solutions and improvements to business problems and obstacles.
3. **Dramatic results:** BPR is not about formative and relative improvements, but achieving high and high performance. Organizations that have successfully implemented the BPR concept have achieved tremendous results in increasing productivity, reducing working time and providing better services.
4. **Processes:** The principle of business reengineering is characterized by a focus on business systems, or known as main processes, rather than departments.

#### **Business reengineering factors**

Business reengineering factors were adapted based on the areas of previous studies and their suitability with management. Business reengineering factors were identified as follows: (Khashman, 2019:134).

- a) **Organizational culture:** Culture has been recognized as a critical success factor for BPR implementation. Coordination, employee engagement, positive and friendly interactions are the standard feature of an innovative culture in an organization. In addition, the

effective use of employee ideas enables organizations to achieve positive results.

- b) **Senior management support (leadership):** Leadership plays a pivotal role in efforts to review work methods. The role of leadership is: to monitor and control all activities related to change, and this is very important. Quote Hammer & Champy (1993) Obstacles in leadership are the cause of most business change failures. One of these obstacles is how to eliminate political issues between organizational boundaries. The power of senior management can also be effective at the beginning of change and in implementation.
- c) **Business Reengineering Methodology:** Many different methodologies have been developed to support change in business projects. According to (Valiris and Glykas, 199) The methodology is an organized set of techniques, procedures and tools developed to deal with the life cycle of a single project to achieve its goal and reduce problems and difficulties.
- d) **Strategic alignment:** Considered (De Bruin & Rosemann (2006). Strategic alignment for BPR is defined as “the continuous interconnection of organizational priorities and corporate processes that enable the achievement of business objectives.” He said (O’Neill & Sohal (1998). If the objectives of BPR are defined on the basis of strategic direction that will help organizations achieve long-term benefits. In fact, BPR can be viewed in this way as a tool for implementing strategy.
- e) **Ability to change:** One of the main obstacles to the successful implementation of process reengineering is resistance to the various changes that occur in the organization. This requires effective management of change management, which is defined as “the methods used by management and leadership to retain employees and encourage them to learn and grow continuously, accept change, and create conditions and opportunities for organizational change.”(Omidia & Khoshtinata, 2016)

### Stages of business re-engineering

There are many practical approaches used in business re-engineering, and not all of these methods differ in the basics, while the difference is in some sub-things. (Ruslan, 2010). There are those who consider it six stages, while others consider it five stages of business re-engineering. (Harb & Abazid, 2018:103) <sup>[37]</sup>

1. **Preparation:** It is the mobilization and preparation stage that aims to mobilize, organize and revive the workers who will bear the burden of re-engineering the business. The outcomes of preparation for administrative assignment, organization, team formation and constitution include: feeling the problem, management approval, and team training.
2. **The choice:** In this stage, we define customers, processes, performance level, value-added activities, organizational chart of operations and available resources, and select the processes that will undergo the BPR process.
3. **Vision:** This stage aims to create a vision that achieves exceptional achievement, a stage between the abstract idea and practical design, through understanding the structure of operations, understanding the flow of operations, and defining performance measures and performance drivers.
4. **The solution:** It includes two groups: the first group: technical design processes and the second group: organizing the organization's human resources environment.
  - **The first group:** aims to design a solution capable of achieving the vision. This is achieved through (relationship model, information management, integration of information points, identification of alternatives, design control, redeployment, and technical application.
  - The second group is social design, where the human and psychological dimensions of the BPR project are determined by describing and organizing jobs, determining incentives, and a new training system.
5. **The shift:** This phase includes realizing the vision and implementing the technical and social design, including preparing business models and data models and starting the information system with its software or designing new software through (system testing, personal performance evaluation, system installation, startup, debugging and conversion.

Reengineering is a radical change process that contains five main steps that managers must take (Rigby, 2017:20)

- Refocusing the company's values to suit customers' needs
- Redesign core processes and use information technology to enable improvements
- Reorganizing the business and creating cross-functional teams with absolute responsibility from the beginning to the end of the process
- Rethink core organizational and personnel issues
- Improving business within the company

And he points out (Goldwasser (1995:39) The stages of re-engineering are:

1. **Planning:** This stage includes starting to implement the project by employing relevant people and setting

limited goals that must be achieved.

2. **Internal analysis:** In this stage, work is done to highlight all the strengths and weaknesses that affect the environment surrounding the organization and address all its problems.
3. **External analysis:** At this stage, the opportunities available to the organization are identified, fully exploited, and threats affecting the organization are attempted to be avoided.
4. **Redesign:** In this stage, the results obtained in the internal and external analysis stage are invested in order to complete the work at all stages.
5. **Application:** This stage consists of all jobs, work, skills, and technical means and placing them in the designated place with the aim of achieving success in applying the new methods of work.

And he sees (Yen, *et al.*, 1997) <sup>[49]</sup> Re-engineering administrative processes is based on creating strategies and changing relationships, whether inside or outside the organization. This will require new information technology foundations. There will also be a change in the work of managers and new behavior from employees. In order for the redesign to be an effective attempt, it must be linked to three requirements that include the following:

1. Commitment to comprehensive redesign.
2. Redesigning is in accordance with a clear strategic vision and that it is a process associated with structural change.
3. An appropriate management philosophy for strategy testing and construction.

### Dimensions of business reengineering

Business reengineering is a new model that affects and is affected by some dimensions, such as: (Harb & Abazid (2018:101) <sup>[37]</sup>

- 1) **Organizational dimension-** Designing the organizational structure The organizational structure is a framework that shows the various departments and divisions of the organization, and explains the lines of power and flows between functions, as well as the different administrative units that work together. Organizational structure refers to the organization of various parts of an organization into a comprehensive framework that outlines the structural elements and the relationship between these elements used in managing the organization as a whole. It is the system of tasks, power relationships and communication channels that relate to the formal organizational structure, in contrast to the informal organizational structure (Al-Otaibi, 2002). Reasons for restructuring the organizational structure: (Harb & Abazid, 2018:102) <sup>[37]</sup>
  1. Change in the company's objectives, as organization is the means by which objectives are achieved.
  2. Changing the size of the organization.
  3. Facing changes facing the organization, such as changes in its legal form or technology.
  4. Lack of senior management positions.
  5. Shortcomings or lack of processes within the company, such as slow decision-making.
  6. The new administration's desire to introduce new organizational ideas.



## 2) Technological dimension

The spread of information technology was the basis for building, designing and using management information systems, which we can define as “a group of trained human elements and mechanical elements necessary to collect and process data for conversion into decision-making information, and this system consists of inputs, transformations and outputs, and information technology is one of the achievements of the scientific revolution.” Technology that has a direct and important impact on shaping work within organizations, and the use and application of information technology has many advantages for individuals and departments, and among these benefits are raising the level of performance, creating value for the organization, competition between organizations, effective decision-making and process re-engineering. Morocco, 2006). (Harb & Abazid, 2018:103)<sup>[37]</sup>

## 3. The human dimension

Customers and employees are the most useful target for process reengineering maturity, so we should focus on Human resource management is the method used by international organizations and institutions to select, develop and promote employees to achieve the full proportion of the workforce to serve the company's goals. If we can manage people and satisfy them well, this will help achieve the impossible. (Harb & Abazid, 2018:103)<sup>[37]</sup>

## Business reengineering tools

There are many tools available to facilitate the BPR process. These BPR tools vary from the simplest flowchart programs to more complex data modeling applications. These tools help us analyze, redesign and model the process. We can classify these tools into static modeling and dynamic modeling. Static modeling such as flowchart and dynamic modeling loves process simulation. None of the tools can fully support BPR and cover all aspects.

Some workflow modeling applications are available to map workflows. For example, Business Process Modeling Notation and Unified Modeling Language are introduced (UML) to model the workflow visually. Graphical tools such as UML, a process model for improving the degree of interoperability between people involved in business reengineering. In addition, process control flow is a tool used in business reengineering and information flow processing as well as task and activity optimization [24]. These tools help people distill, formalize, and share their process in order to aid decision making (Khodambashi, 2013:952)<sup>[38]</sup>.

## Third: Strategies for reviving business organizations

Revitalization strategies based on functional and general classification. Comparing successful and unsuccessful organizations is very challenging because they operate in two very different environments. Policy setting strategies provide the external framework for organizational level operations and thus also provides a framework for corporate revival attempts. Corporate revival involves providing a platform that allows satisfactory companies with a large and viable business model to recover from declining performance. Likewise, restructuring and reviving sick industries or diseased industry sectors is in the interest of policy making - especially if the industries are of high relative importance. It is hoped that the effects will be useful

in the strategic and policy decisions of organizations.

Seem Schendel and others (1976) Paying attention to the rationality of the revival situation in choosing the correct revival strategies, and he believes Arogyaswamy and Parker and Yasai In analyzing the literature on decline and revival, decline and revival are closely linked to a successful revival effort, one must manage decline and change company strategy and internal procedures to secure new resources to deal with the causes of decline. (Panicker,2012:147)<sup>[52]</sup>.

## Revival strategies.

Lead a study Khandwalla (1992)<sup>[51]</sup>, the revival procedures are divided into four broad hypotheses under functional areas found across studies – human resources strategies, product/market strategies, financial strategies, production/operations, and technology strategies. (Panicker,2012:142)<sup>[52]</sup>:

### 1. Human resources strategies

HR should actively engage with business leadership and develop strategies to create capabilities within the organization to accelerate the implementation of corporate revival. Organizations experiencing low performance in performance usually resort to decline as a feasible revival strategies. Change in top management is another well-defined HR strategy. Leaders are often a contributing cause of decline (Arogyaswamy *et al.*, 1995)<sup>[53]</sup>.

### 2. Financial strategies

The aim of financial strategy is to use the financial strength of the business as an asset and to restructure the business such as reducing the nominal value of shares, lowering interest rates, deferring debt maturity, converting debt into equity, studies identify financial restructuring as an essential component of revival.

### 3. Marketing strategies

Marketing is a very useful strategy for revival. In the organizational marketing literature, though, a number of writers have focused on the importance of marketing in saving ailing organizations. The sales function is another key process and includes four important elements that have been more evident in successful companies such as: 1) Environmental understanding; 2) Market selection; 3) Innovative market offers; and 4) managed relationships

### 4. Production/operating strategies

Hoover (1980) In a study of twelve cases of poorly performing organizations, he found that for operating problems, the solution is operating remedies, and for strategic problems, strategic remedies. Thus, organizations that fail due to operational reasons choose operational revival strategies, strategic reasons choose strategic revival strategies, and operational failure is rarely treated with strategic revival actions. Hambrick & Schecter, 1983<sup>[54]</sup>

### 5. Corporate planning strategy

Contraction and consolidation strategies for revival are implemented when the company's plight is not comprehensive. Corporate reorganization is a different revival strategy that often involves refocusing or eliminating non-core businesses (Lin & Lee, 2008:543)<sup>[55]</sup>

## Conclusion

1. Despite the abundance of research and studies that have dealt with the concept of reengineering and restructuring, it remains one of the modern topics that can be researched, as a result of the renewal and increasing need of contemporary organizations and individuals for it and the multiplicity of its approaches, fields and strategies. This leaves the field open for researchers to investigate the success factors of organizational change.
2. Business reengineering involves changes in people (behavior and culture), processes and technology.
3. The reengineering methodology is an organized set of techniques, procedures, and tools developed to deal with the life cycle of a single project to achieve its goal and reduce problems and difficulties.
4. The research showed that re-engineering takes place in five sequential steps to ensure that the process is completed in a streamlined and dynamic manner.
5. One of the most important strategies for reviving organizations are human resources strategies and financial strategies.

## Recommendations

1. Paying attention to the components of re-engineering in organizations because they are considered one of the most appropriate approaches to the success of the change process.
2. The importance of adopting change in organizations so that they can follow developments in the local or global environment for the purpose of drawing up change plans to enhance the organization's internal environment, which achieves customer needs.
3. Organizations respond quickly to changes, as the traditional method cannot be the model capable of making the change process successful
4. To activate the change processes, organizations must, from the beginning, classify the changes that will be made by the organizations' leadership, and the nature of the entities and relationships that the process will affect (knowledge, methods, procedures, roles, values, etc.).

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