

The Technology Payoff

How to Profit with Empowered Workers in the Information Age

by Gerald M. Hoffman
Irwin Professional Publishing, \$25.00

REVIEWED BY

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The departure point for this book is the recognition that "the hierarchical organization structure with its management by command and control, the norm in American business for more than a century, cannot meet the needs of the nineties." Instead, Gerald Hoffman promotes the federated organization, a collection of nearly sovereign sub-entities, each pursuing its own agenda, subject to limited overall guidance and constraints from the organization's management. In this organization, success is defined as meeting (rather than optimizing) the needs of all the stakeholders. Keys to this success are the dedication to a few core competencies, ability to operate in a state of constant change, and a commitment to a cadre of employees who are dedicated, smart, knowledgeable, and empowered to independently perform their jobs and make the related decisions.

The call for business reengineering is the latest "hot" issue of the business world, following fads which emerged, moved into prominence, and then often faded without discernable long-term effects such as Theory Z, MBO (Management By Objectives), and TQM (Total Quality Management). Gurus like Michael Hammer and James Champy (in *Reengineering the Corporation: A Manifesto for Business Revolution*, Harper Business, 1993) and Thomas Davenport (in *Process Innovation: Reengineering Work through Information Technology*, Harvard Business School Press, 1993) promote business process reengineering as the current approach to follow. This is a revolutionary approach, promising quantum levels of improvement in corporate performance. They concentrate on redesign of business processes, rather than on task optimization as promoted by traditional methodologies. Gerald Hoffman goes one step further, also suggesting the replacement of the traditional hierarchical organization by a federated one.

Regardless of the organizational structure that is used, information technology is critical for success in today's world, with its competitive pressures and ever-increasing change. It

enables new opportunities, supports the organization's strategy and business processes, provides the information needed for decision making at all levels, and thus enhances the empowering of the employees. Since business needs determine information needs, which in turn determine what kinds of information systems are required to meet the business needs, successful integration of information technology requires understanding of both the business environment and information technology. This book is thus geared to policy makers, senior managers, and information systems executives. It is also a must for any one involved in the design of business processes, organizational structures, or information systems, either as a user or as an information system professional.

The book is divided into four parts. The first part (three chapters) explores the changing business environment of the nineties, the revolution in information technology, why and how advances of this technology will foster ever greater changes in the future, and the new federated organizational structure that will best meet these changes. The second part (four chapters) is devoted to the identification of the information needs of the organization. It investigates the relations between business strategy and information technology strategy, and provides ways to evaluate information technology expenditures. In this section Hoffman also discusses the revolutionary business process reengineering as a means to radically improve results, versus the traditional evolutionary continuous process improvement methodology, and provides criteria to select between them.

Part three (four chapters) discusses how to deliver the information that was identified in part two. Here the roles of the users and the professionals are delineated, the information technology architecture is promoted, and the importance of the information infrastructure in a world of constant change is highlighted. Last but not least, the author discusses practical technological, organizational and human constraints on what

can actually be achieved with information technology.

I admit that I began my voyage through this book with part four, where the author gazes into the twenty-first century, because I wished to know whether the road the author presents for the next decade in the first three parts is consistent with this vision.

Although little new ground was broken in part four, the presentation was convincing. Global competition and change will continue to be dominant forces, customers will become more selective as they become more knowledgeable, and workers will demand more control over their work and work environment. These trends, coupled with advances in information technology and the increasingly voracious appetite for information, will affect society as a whole. Society, in turn, affects the direction of business and its information needs. Consequently, societal attitudes will become increasingly important determinants of what can, or cannot, be done with information technology.

The book is well written, easy to read, and is geared to the educated and inquisitive reader. Thus, it is careful not to get enmeshed in technical jargon. It is based on the premise that all executives and workers must personally be involved

in integrating information technology with their business. Business success isn't measured anymore by the bottom line alone, but is rather defined as "meeting the needs of all stakeholders": customers, workers, suppliers, the community at large, as well as the owners. Indeed, the discussion explains how information technology can be used to provide such a success.

One of the nice features of the book, which follows the methodology of the "Really Useful Research in Information Systems" bimonthly publication (The RUR Publishing company, 212 E. Ontario, Chicago, IL 60611), is the summary section at the end of each chapter. In this section the author lists key points of "What You Must Know," as well as "What You Must Do." Coupled with the front-end summary introduction of each chapter, this section provides a fast overview of each chapter's contents for the harried reader.

In summary, I believe this book is a must read for all information systems executives and designers, and will be most valuable reading for any executive and organizational leader. The book will challenge them all, while providing sound advice and practical solutions.