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Jan A.P. Hoogervorst

Practicing  
Enterprise  
Governance and  
Enterprise  
Engineering

Applying the Employee-Centric  
Theory of Organization



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*It's all generated, maybe, [a general lack of respect for the people who are trying to solve problems] by the fact that the attitude of the populace is to try to find the answer instead of trying to find a man who has a way of getting at the answer.*

—Richard P. Feynman, Physicist and Nobel Prize winner (1918–1988)

Feynman, R.P.: *The Meaning of It All*, p. 66. Addison-Wesley, Reading MA (1998)

*A leader [is he] who gives form to the inchoate energy in every man. The person who influences me most is not he who does great deeds, but he who makes me feel that I can do great deeds.*

—Mary Parker Follett, Organization Scientist and Philosopher (1868–1933)

Metcalf, H.C., Urwick, L.: *Dynamic Administration: The Collected Papers of Mary Parker Follett*, p. 285. Pitman, London (1941)

# Preface

## Motivation for the Book

### *The Premise*

Enterprises—our overall label for social entities of human endeavor identified as businesses, companies, organizations, or institutions—significantly affect the prosperity of modern society and the well-being of individuals. As a civilian, patient, student, consumer, or employee, we all experience the positive and negative influences of enterprises on the quality of private and working life. The performance of enterprises thus exerts far-reaching effects. Since we consider contempt for customers, employee alienation, cynical and unmotivated employees, fatigue, burn-outs, inefficiency, low productivity, the squandering of human talent and natural resources, financial crises, and the erosion and compromising of professional craftsmanship as disquieting manifestations of enterprises, the arrangement of enterprises must be based on the same thoroughness generally applied to the arrangement (the design) of technical systems. Nobody would board an unsound aircraft created by people who have not mastered aircraft design. Indeed, system safety, security, availability, reliability, maintainability, or usability must all be based on sound design sciences, such as electrical engineering, mechanical engineering, chemical engineering, or civil engineering. Our premise therefore is that for avoiding unsound enterprises, the arrangement of enterprises should be based on a sound enterprise design science, identified as *enterprise engineering*.

### *Sound Practices*

Creating well-performing enterprises and avoiding the disquieting enterprise manifestations mentioned above do not occur spontaneously but need intentional actions. Service and customer orientation, quality, productivity, flexibility, process

excellence, lean production, compliance with rules and regulations, motivated and involved employees, or lower operational costs do not come of their own accord, or because someone at the top has ‘declared’ it so, or because there is a business case that is ‘approved.’ Rather, an enterprise must be arranged (*designed*) such that these desirables and areas of concern are successfully operationalized. Activities concerning enterprise design are conducted within the scope of enterprise change: the transition from existing enterprise conditions to preferred ones. Design is at the heart of change since, ultimately, design is the embodiment of intentions. Our motivation for this book lies in attempting to contribute to sound practices for enterprise arrangement, change, and design for enabling excellently performing enterprises. A core aspect of these practices is adopting *the employee-centric theory of organization*.

## **Purpose of the Book**

### ***Closing the Chasms***

Despite, or rather because of, an abundance of management ‘literature’ produced regularly and the plethora of ‘business courses’ offered, unsound practices with disquieting consequences continue. Ineffective or even fundamentally wrong ways of organizing are prolonged. An unproductive, if not damaging, chasm exists between what foundational sciences, specifically social and organization sciences, know about organizing and what organization and management practices reveal. Prescriptions based on ‘best practices’ or the ‘best managed companies’ are often merely anecdotal, faddish, controversial, and based on unsubstantiated pseudotheories. Avoiding the proliferation of questionable viewpoints with no cohesion and an overarching integrating theoretical perspective necessitates that the insights of the foundational sciences are put into practice. Such practicing is seriously hindered by a second chasm: between the social and organization sciences on the one hand and the engineering sciences on the other. Thinking and doing within these latter sciences are about creating things based on scientific knowledge, an attitude desperately needed with the realm of organizing. Closing the second chasm is based on three crucial pillars:

- First, outlining important insights of the foundational sciences.
- Second, applying these insights within the *enterprise engineering* design science for the ability to incorporate them into design and to address the multidisciplinary aspects of enterprises in a coherent and consistent way.
- Third, translating the insights of foundational sciences about change in social systems into sound practices about enterprise change. We identify the competence for these practices as *enterprise governance*.

Since design is at the heart of change, enterprise engineering is a core aspect of enterprise governance. In trying to close the second chasm, conditional for closing

the first one, lies the purpose of our contribution, which is the revised and expanded version of our 2009 publication.

### ***Practicing Foundational Insights***

Any sound design science is firmly rooted in associated foundational sciences. For enterprises, the foundational sciences are obviously formed by the social and organization sciences, but also other foundational sciences play an important role such as philosophical sciences and information sciences. Our accompanying publication is concerned with the first pillar mentioned above and outlines important foundational insights. This book addresses the second and third pillars by practicing the foundational insights in enterprise governance and enterprise engineering and applies the employee-centric theory of organization in enterprise design. In practicing the foundational insights, the nature and arrangement of the enterprise governance will be clarified, and the theories, methodology, and methods of enterprise engineering are introduced, explained, and illustrated.

Bennebroek, The Netherlands  
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Jan A.P. Hoogervorst



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## About the Author

**Jan A.P. Hoogervorst** studied electrical engineering at the Delft University of Technology and completed his dissertation in Work and Organizational Psychology at the Amsterdam Free University. He fulfilled a number of executive management functions at KLM Royal Dutch Airlines, and was responsible for Aircraft Systems Engineering, Aircraft Components Maintenance and Aircraft Maintenance, Flight Crew Training, Information Services, and Corporate Information Strategy. After retirement from KLM, he worked at Sogeti as an organization and management consultant and as professor in enterprise governance and enterprise engineering at the Antwerp Management School.