

# ST. MARY UNIVERSITY SCHOOL OF GRADUATE STUDIES

# Practices and Challenges of Business Process Reengineering Implementation at Dukem City Administration

By Hawani Bake

> February, 2017 Addis Ababa, Ethiopia

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#### **Hawani Bake**

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Approve by	Board of Examiners
Dean, Graduate Studies	Signature and Date
Advisor	Signature and Date
External Examiner	Signature and Date
Internal Examiner	Signature and Date

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## **Acronyms/Abbreviation**

BPR: Business Process Reengineering

IT: Information Technology

DCA: Dukem City Administration

DCACBB: Dukem City Administration Capacity Building Bureau

DCALAB: Dukem City Administration Land Administration Bureau

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**Abstract** 

The implementation phase of BPR pointed as the most challenging one. Thus, this study intended to identify the practices, factors that deemed as challenging and success factors of BPR implementation and performance improvement. Capacity building and land administration bureaus are representing Dukem City Administration. The data for this current study were obtained from primary source both quantitative and qualitative data collection methods were employed. The instrument used to gather quantitative data was Likert scale questionnaire whereas interview was used qualitative data. Major findings of the study include: challenges lie managing the human dimensions of change, weaker and inconsistent support provided by top management, no strong base line assessment. Based on the finding of the study the paper concludes that business process reengineering has failed to produce a significant impact on organization's performance improvement and was not gaining the competitive advantages expected from the radical change. It recommends that the organization, should setup its own methodology that best fit to their organization and helps in achieving its goals effectively and efficiently.

Key Words: Fundamental, Radical, Dramatic, Processes, value added

#### **CHAPTER ONE**

#### INTRODUCTION

#### 1.1 Background of the Study

Business process Reengineering (BPR) is the fundamental rethinking and radical redesign of business process and the analysis and design of work flows to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed to achieve substantial gains in the overall organizational performance. (Hammer and Champy)Successful implementation of BPR projects benefited the organization by increasing its productivity through reduced process time and cost, improved quality and greater customer satisfaction (Carr and Johanson, 1995). The implementation process must be checked against several success/failure factors like setting comprehensive implementation plan, addressing change management issues and measuring the attainment of desired results so as to ensure successful implementation, as well as to avoid implementation pitfalls (Hammer and Stanton,1995). The ultimate success of BPR depends on the people who do it and on how well they can be committed and motivated to be creative and to apply their detailed knowledge to the reengineering initiative. Organizations planning to undertake BPR must take into consideration the success factors of BPR in order to ensure that their reengineering related change efforts are comprehensive, well implemented and have minimum chance of failure (Champy, 1995)

As Evans and Berman (1990) reflected, customers wish to obtain quality product and service with minimum price and time. Meanwhile, many governmental organizations stick to the traditional way of producing products and rendering services. This approach breeds inefficiency and disappoints organization's stakeholders and clients.

The focus of this study is to identifies the practices and challenges of BPR implementation at Dukem city administration. As soon as the current government came to power, it started rigorous reforms in three fronts: economic, political and constitutional reforms. The question was whether Ethiopia has bureaucracy that is capable of carrying out those reforms or not. The government employed domestic and foreign consultants to study the capacity and effectiveness of the bureaucracy. Assefa B. identified that Ethiopia's bureaucracy was characterized by:

- Avery hierarchical structure with many none- value adding works/ positions/ staff
- ➤ Nepotism, lack of transparency and accountability
- ➤ Lack of leadership capacity
- ➤ Input based and not output based i.e. output not measured. (2009, a short note on BPR in Ethiopia)

The government recognized that it was difficult to undertake reforms with this bureaucracy. The consultants recommended the establishment of new institutions, for instance, the ministry of capacity building with the mandate of undertaking reforms in all public institutions esp. Education and the civil service. Overtime, it was believed that an important condition to undertake the reforms was to implement BPR. It was believed that BPR would help solve the problems of hierarchical bureaucracy by eliminating many non-value adding works/ positions, nepotism, etc. BPR is currently under implementation in most public institutions. The reason why the Ethiopian government adopted BPR was that the existing system had to be completely changed and redesigned and BPR can do this task.

It is clear that BPR is being implemented in many, if not all, of the civil service organizations of Ethiopia. The initiation was flamed 2008/09 throughout the country in the form of campaign. No doubt that many resources (material, human and financial resources) were invested in the campaign. One of the service sectors that were targeted for BPR was city administrations. The knowledge of practice and challenges of BPR implementation is important because it helps the organization and the country to know the key factors behind its success and failure. It gives them a good lesson in any future initiates of same kind might come.

#### 1.2 Definition of Terms Used

**Business process reengineering**: is the total transformation of a business, an unconstrained reshaping of all businesses, technologies and management system, as well as organizational structure and values, to achieve quantum leaps In performance throughout the business, Crowl, et al. (2002)

Success and failure factors: is anything/factor that could contribute or influence the performance of the organization.

**Dukem city administration**: is a governmental organization. It holds of a package of bureaus regulated and working under its organizational structure.

#### Business process redesign

Business process redesign is "the analysis and design of workflows and processes within and between organizations" (Davenport& Short 1990). Teng et al. (1994) define BPR as "the critical analysis and radical redesign of existing business processes to achieve breakthrough improvements in performance measures."

#### **Business** process

Davenport & Short (1990) define business process as "a set of logically related tasks performed to achieve a defined business outcome."

#### 1.3 Statement of the Problem

The Ethiopian government has taken BPR as a panacea for the problem of inefficiency in the performance of the civil service organizations Debela, (2009). Business process reengineering (BPR) has been considered as a government sector technique to help organizations fundamentally rethinking how they do their work in order to dramatically improve customer service, cut operational costs and become responsive (ministry of Health BPR document, 2007).

Dukem City Administration applied BPR concept in 2009 to enhance the process of administrative performance and to achieve the desire outcome of BPR implementation results.

Although it is the standard routine to undertake the practice of any on-going or of completed project, the success and failure of BPR implementation in Dukem city administration was not studied. Therefore, this research is the first in its kind for DCA and it helps the management to praise their success factors and also to know what hinders the successful implementation of the process and focus on those issues.

This study intends to evaluate the overall practice and challenges of business process reengineering implementation and identifies areas that involve success and failure factors of implementation proce

#### 1.4 Research Questions

The study was tried to address these basic research questions:

- 1. To what extent BPR implementation inputs are affecting BPR in DCA?
- 2. How effective the implementation of Dukem city administration's BPR against strategy?
- 3. What major challenges were faced in the implementation process?
- 4. Which administrative core issues' performance improvements are achieved?

#### 1.5 Objective of the Study

#### 1.5.1 General Objective

The objective of the study is to identify the practices and challenges of business process reengineering in Dukem city administration.

#### 1.5.2 Specific Objectives

- 1. To identify major inputs that affect BPR implementation in DCA.
- 2. To examine the implementation of Dukem city administration's BPR against strategy.
- 3. To investigate the major challenges face in the implementation process
- 4. To examine the core administrative performance improvement.

#### 1.6 Significant of the Study

The result of the study contribute meaningfully to the implementation of BPR by pinpointing possible sources of challenging and suggesting possible strategies of alleviating the problems, as BPR is continuous process.

The BPR implementers and the management of the BPR with an understanding of the BPR challenge have a higher chance of success.

It will make advancement in the existing volume of knowledge regarding BPR implementation, change and its resistance.

It is an important in identifying the key problem of BPR implementation in city administration. It identifies the attitude of city administration towards BPR.

#### 1.7 Scope of the Research

The study was conducted in Dukem city administration. The study is restricted to evaluate of the practices and challenges of BPR implementation. It is delimited to the data obtained from the questionnaire and interview in DCA. The researcher, therefore, covers employees of the city administration specifically the land administration bureau and capacity building bureau workers.

#### 1.8 Limitation

While conducting this study the following limitations were hindered the researcher to do its best

- The delay by the respondents in returning back the questionnaire.
- As the study employed non-probability sampling specifically judgmental or purposive the finding is not generalizable to the entire population.

#### 1.9 Organization of the Paper

The study was organized in five chapters. The first chapter dealt with introduction: background of the study, statement of the problem, objectives, significance, scope and limitation of the study. The second chapter contained review of related literature. Chapter three was dealt with methodology of the study. Chapter four also focused on analysis and interpretation of the data collection through questionnaire and interview. Finally summary, conclusion and recommendation of the study were given in chapter five.

#### **CHAPTER TWO**

#### LITERATURE REVIEW

#### 2.1. Definition of BPR

Today, globalization along with key driving forces such as customers behavior, competition among businesses and change in the working environment are create tough environment for organizations work with outdated philosophies and principles of work practices. Although those outdate philosophies and principles succeed to cope up the socio-economic challenges of that time, they cannot fit today's new environment. The new environment requires organizations to realize new working practices that can make up them to be responsive and flexible for the changing environment. In doing so, organizations utilize the management tools; that means Business Process Reengineering (BPR).

#### **Basic definitions of BPR**

#### Definition of BPR

The term 'reengineering' was first introduced in 1990 in a Harvard Business Review article:

The article's author was Michael Hammer, a former Computer Science professor at the Massachusetts Institute of Technology. Hammer then went on to develop the concept further in a book: Reengineering the Corporation, written jointly with James Champy. They provided the following definition:

According to Hammer and Champy (1993) "BPR is the fundamental rethinking and radical redesign of business processes and the analysis and design of workflows to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed to achieve substantial gains in the overall organizational performance".

"Reengineering is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed." This definition comprises four keywords: fundamental, radical, and dramatic and processes.

#### **Fundamental**

Understanding the fundamental operations of business is the first step prior to reengineering.

Business people must ask the most basic questions about their companies and how they operate: Why do we do what we do? And why do we do it the way we do? Asking these basic questions lead people to understand the fundamental operations and to think why the old rules and assumptions exist. Often, these rules and assumptions are inappropriate and obsolete.

#### Radical

Radical redesign means disregarding all existing structures and procedures, and inventing completely new ways of accomplishing work. Reengineering is about business reinvention, begins with no assumptions and takes nothing for granted.

#### Dramatic

Reengineering is not about making marginal improvements or modification but about achieving dramatic improvements in performance. Dramatic change is the overall of organizational structures, management systems, employee responsibilities and performance measurements, incentive systems, skill development, and the use of information technology.

#### Processes

Process is the most important concept in reengineering. In classic business structure, organizations are divided into departments, and process is separated into simplest tasks distributing across the departments. The preceding order-fulfillment example shows that the fragmented tasks - receiving the order form, picking the goods from the warehouses and so forth are delayed by the artificial departmental boundaries. This type of task-based thinking needs to shift to process-based thinking in order to gain efficiency.

BPR is a management process used to re-define the mission statement, analyze the critical success factors, re-design the organizational structure and re-engineer the critical processes in order to improve customer satisfaction Oakland, (1995).

Reengineering is an attempt to change the way work is performed process activities, the people's jobs and their reward system, the organization structure and the roles of process performance and managers, the management system and the underlying corporate culture which holds the beliefs and values that influence everyone's behavior and expectation scypress, (1994). Davenport &Short (1990) define business process as "a set of logically related task performance to achieve

a defined business outcome." A process is "a structured, measured set of activities designed to produce a specified output for a particular customer or market.

#### **Concepts of BPR**

The concept of reengineering was adopted by US based firms in early 1980's while in public sector the issue to increase productivity took place in almost late 1990's Hales &Savoie,

(1997). The evolution of BPR and the strategies have been developed to ensure a successful outcome when using the methodology, along with a number of success and failure mechanisms. The concept of reengineering traces its roots back to management theories developed in the early 19th century. The concept of business process improvement has encouraged businesses to consider company-wide processes, rather than focus on production processes only, which according to Harrington (1991).

Reengineering the business normally includes a fundamental analysis of the organization and a redesign of business work flows, job definition, organizational structure, control process and reinforcing mechanisms.

It is generally conceived as consisting of four elements to be considered. These four elements which need to be considered are strategies, processes, technology and humans. Strategies and processes are building the ground for the enabling utilization of technologies and the redesign of the human activity system. The strategy dimension has to cover strategies within the other areas under concern, namely organization strategy, technology strategy and human resources strategy. Processes can be defined on different levels within the organization. The most important thing is to identify core processes which are satisfying customer needs and add value for them. And the other one the support process which provide the necessary input and support to the core process. Information technology is considered as the major enabler for spanning process over functional and organizational boundaries and supporting process driven organizations. The human activity system within the organization is the most critical factor for reengineering.

#### The conceptual frame work of BPR implementation

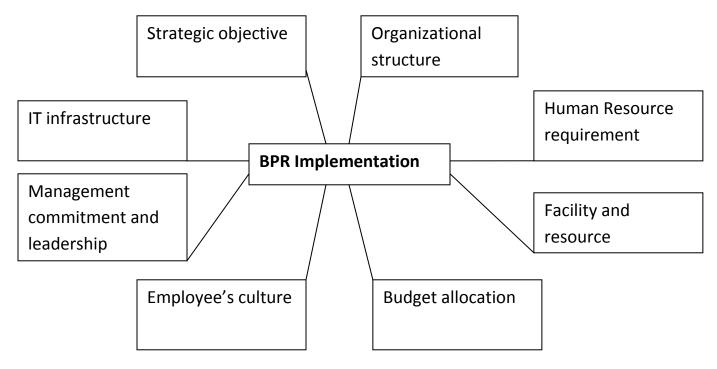


Figure 2.1 The conceptual frame work of BPR implementation

Strategic objective, organizational structure, human resource requirement, facility and resource, budget allocation, employee's culture, management commitment and leadership and IT infrastructure are among the main input for business process reengineering. Human resource is the most important success factors for business process reengineering. Authors suggested that human issues should be given more due for BPR to function well. Employees must share a common understanding and acceptance of the ways the new business process is embodied in activities at the individual and unit or subunit levels which requires supportive organizational culture which is strong on communication and on intra-organizational synergy.

Employees are undoubtedly the most affected entity in any organization when organizational changes, using any change tools including BPR, are undertaking in an organization. According to Nickols(2003), employees are people who think of themselves as members of the organization. This view suggests that employees are people who commit themselves to achieve the objectives of the organization and in exchange, the organization offers them pay and a good working environment.

#### 2.2. What Business Process Reengineering (BPR) is not

Most of the people with little knowledge of the field mix up BPR with automation, downsizing, restructuring, or some other business improvement programs.

BPR is not automation alone, firstly, the existing or old processes are redesigned by eliminating the non-value adding activities. Then it is automated. Therefore, automation supports the success of BPR, but does not substitute for it.

According to Hammer (1990), automating the old processes in a given organization perhaps might simply enhance more efficient ways of doing the wrong kinds of things (continuation of non-value adding activities). Therefore, despite the important role played by information technology in its implementation reengineering is not the same as automation.

When it comes to restructuring and downsizing, they are not substitute for BPR rather they could be its consequence incidentally or by default. For instance, when the nature of the work is changed, non-value adding activities are eliminated, new processes is created and automated thereafter. So that some of the layers of the organization are reduced. For that matter, middle managers might disappear.

In addition to this, the sequential processes that previously performed by many workers now became parallel.

With the help of ITCs, the number of employees required to perform the new tasks created by BPR might be small. Hence, ill-qualified employees might perhaps; find themselves reduced (lay off). This is what downsizing implies for. However, when one talks about restructuring and downsizing literally, they are some of the business improvement programs that are put in place during the times that organizations face capacity problems. According to the advocates of the subject, restricting and downsizing is meant doing less with less which perhaps implies capacity reduction to satisfy current demand.

Mostly what force organizations to go for BPR do not stem from their organizational structures but rather from their process structures. Therefore, one way to eliminate the problems is by reengineering the processes.

#### 2.3. Approaches to BPR

Once, an organization decides to go for business process re-engineering, whether it is private or public, it is supposed to take a certain approach. As the BPR literature shows, the five step approach proposed by Davenport (1993) is the mostly pronounced approach that most successful organizations were using when re-engineering their processes. According to Davenport (1993) the steps are: Developing the business vision and processes objectives, identifying the processes to be redesigned, understanding and measuring the existing processes, identify IT levers and designing and building a prototype of the new processes respectively.

The first step is developing the vision and objectives of the process (i.e. cost reduction, speed, product/service quality improvement, etc). Then identifying the processes that are to be redesigned comes next. Here the various processes in the organization are identified and prioritized in order that they should be redesigned. Thirdly, make sure that BPR teams have understood the old processes (existing). Next is to make sure that IT is available with the team that have the skills required. Finally, design and build a prototype of the new process and then test on one segment of the organization as a pilot before full scale implementation.

However, in the course of BPR, from start to end the efforts pertaining awareness creation, training, communication to all concerned and resource mobilization including ITCs and other infrastructure is indispensible.

#### 2.4. Goals and Objectives of BPR

The primary objective of BPR is to make business organizations more competitive by improving efficiency i.e., reducing costs and shortening product development cycles and quick response to customer Grover *et al.*, (1993). To avoid resistance, proper and continuous communication should be there among all level of the organization. The last stage of this model is about monitoring and evaluation of the whole project where the success of the project is monitored regularly as well as the areas that needs modification (continuous improvement) are also identified.

BPR seeks to break from current processes and to devise new ways of organizing tasks, organizing people and making use of IT systems so that the resulting processes will better

support the goals of the organization. This activity is done by identifying the critical business processes, analyzing these processes and redesigning them for efficient improvement and Benefit Vidgen et al., (1994). By focusing on business objectives, we analyze the processes of The organization eliminates non-essential or redundant procedures, and then uses IT to redesign (and 'streamline') organizational operations.

The change process itself should emphasize the value-added element for every activity, recognizing time as a competitive weapon, focusing on end results and objectives, ensuring quality at the source, planning for an end-to-end solution, challenging the old ways and proposed new ways, using the right technology, empowering people and building consensus on making changes, and setting aggressive goals for the new process (Stadler, 1992).

BPR requires a detailed knowledge of what the customers want it does not demand a highly detailed understanding of the tasks involved in every activity of the business. This makes BPR economical in terms of investigation time when compared with conventional methods, in which highly-detailed studies are usually undertaken before any change is made. BPR requires that those conducting the study are highly experienced in business practices and systems, and are able to identify the features of the business which are crucial to its success

Devenport, (1995).

According to, Davenport & Short, 1990), the right idea for BPR is to look at the end-to-end processes that are really important to a company's success, then rapidly redesign who does what and give workers new tools to get more done (Moad, 1993). It is a new way to think about information technology, in terms of how it supports new or redesigned business processes, rather than business functions or other organizational entities

#### 2.5. BPR Implementation

Mostly, at this stage, it is supposed that there is a clearly defined "re-engineering or process redesign blue print" perhaps; the blue print may contain all the necessary information to carry out the re-engineering effort. However, it is people who carry out and people have to be convinced to perform the newly created tasks. According to (Hammer and Champy, 1993). The tremendous challenge in re-engineering is to persuade people within the organization to embrace or at least not to confront the change. Useful tools that can be used dissolve the resistance of

employees against the implementation of BPR is compatible reward system. This has been acknowledged by many BPR advocates. For example, Champy (1995, p. 165) said that:

"Reengineering insists that people no longer be paid the old way, for the time they put in as appendages to the corporate machine. Instead they must be paid for the value(s) they add to the business. Reengineering also insists . . . that payment practices can and should be used experimentally, boldly, subtly, as a management tool for change and the reinforcement of change" However, among others things implementation still requires; awareness, personnel adjustment and training, change management plan, empowerment, etc.

Whatever option organizations' take into account (i.e. shape-up or shape-out) during the implementation of BPR to convince the employees about the change, the point I wanted to make is that, whether the change is compatible with the human resource decisions.

#### 2.6. Successful Implementation of BPR

Successful implementation of BPR projects benefited the organization by increasing its productivity through reduced process time and cost, improved quality, and greater customer satisfaction Carr and Johanson, (1995). The implementation process must be checked against several success/failure factors like setting comprehensive implementation plan, addressing change management issues and measuring the attainment of desired results so as to ensure successful implementation, as well as to avoid implementation pitfalls Hammer and Stanton, (1995).

The ultimate success of BPR depends on the people who do it and on how well they can be committed and motivated to be creative and to apply their detailed knowledge to the reengineering initiative. Organizations planning to undertake BPR must take into consideration the success factors of BPR in order to ensure that their reengineering related change efforts are comprehensive, well implemented, and have minimum chance of failure Hammer and champy. (1993).

#### 2.7. Factors Related to BPR Success

Assessing BPR implementation and identifying the success factors at city administration is highly significant .Abdolvand, Albadvi, and Ferdowsi (2008) To understand the degree of

success and failurefactors effect on the readiness. CSF was categorized in four main point Cited in Habib (2013)

#### 2.7.1 Management Change system and Culture

Carr (1993) states that, "change management, which involves all human and social-related changes and cultural adjustment techniques is required by management to facilitate the insertion of newly designed processes and structures into working practice and to deal effectively with resistance". A manager needs to have the skill and knowledge about BPR project.

Organizational change management begins with reviewing current performance measuring it against the standard set by the organization's management. It is not possible to improve what is not measured. This measurement gauges the current level of performance against the desired future performance against the desired future performance level Zairi and Sinclair

(1995) cited in sturdy (2010). Organizational change management should be measurable. The ability of management to be adaptable and to be able to manage change is considered by many researchers to be a crucial component of any BPR effort and managing the change process is an integral element of successful BPR implementation R.Sturdy, (2010).

Employees must be taught what the reengineering process actually is, how it differs from known work patterns and what role they will play in it (Goll&Cordovano, 1993 Farmer (1993), Janson, (1992) cited in T. Guimaraes, (1998). The culture of experimentation is an essential part of a successfully re-engineered organization and, therefore, people involved or affected by BPR must be prepared to endure errors and mistakes while re-engineering is taking place. Employees should be informed out what to do, how to do and even when to do something important to the project success. Managers are also encouraged to reconsider mechanisms for reward and recognition to keep the reengineered organization moving forward, to instill in people the willingness to share information, and to use hands-on experience in redesigning new processes Goll&Cordovano, (1993). Communication is needed throughout the change process at all levels and for all audiences Davenport, (1993).

Zairi and Sinclair (1995) place emphasis on the revision of reward systems, creating a culture for change and stimulating receptivity of the organization to change. Commitment and leadership in the upper echelons of management are often cited as the most important factors of a successful BPR program Janson, 1992; Kennedy, (1994). Managers are expected to initiates employees to perform well. Revision of reward systems, communication, empowerment, people involvement,

training and education, creating a culture for change, and stimulating receptivity of the organization to change are the most important factors related to change management and culture. Staff motivation through a reward program has a crucial role in facilitating re-engineering efforts and smoothing the insertion of new processes in the workplace Towers, (1994). Adopting appropriate reward system, performance measurement scheme, employee empowerment and provision of timely training and education need to be addressed.

#### 2.7.2 Organizational Structure

BPR creates new processes that define jobs and responsibilities across the existing organizational functions. This results in a clear need to create a new organizational structure which determines how BPR teams are going to look, how human resources are integrated, and how the new jobs and responsibilities are going to be formalized Davenport and Short,

(1990). As BPR results in a major structural change in the form of new jobs and responsibilities, it becomes a prerequisite for successful implementation to have formal and clear descriptions of all jobs and responsibilities that the new designed processes bring along with them Talwar, (1993). To take the maximum benefit, team working requires special effort, management support and nurturing environment.

Gulden &Reck, (1992) reengineering results in large-scale changes to a business process, organizational structures, management systems, and values, executives must carefully target only a few critical (though cross-functional) business processes; they should correct organizational procedures that are focused on satisfying internal demands rather than the marketplace; and focus on outcome rather than task.

Job and labor integration (case worker) is the most appropriate approach of human resources design that supports the process-based organizational structure rather than a function-based one Davenport, (1994). Team members who are selected from each work group within the organization will have an impact on the outcome of the reengineered process according to their desired requirements. According to Peppard& Fitzgerald (1997), ambitious objectives, creative teams, process based approach and integration of IT are among the main success factors. Hence, every organization needs to assure the environment where employees are working in cooperative.

Cross-functional BPR teams are a critical component of successful BPR implementation (Johansson et al., 1993). The ultimate success of BPR depends on the strong, consistent, and continuous involvement of all departmental levels within the organization. It also depends on the people who do it and how well they can be motivated to be creative and to apply their detailed knowledge to the redesign of business process.

#### 2.7.3 BPR Management Commitment and Leadership

A reengineering leader is a senior executive who authorizes and motivates the overall reengineering effort. The leader is the primary or key ingredient for reengineering to happen.

This is so because reengineering succeeds when driven from the top most level of an organization (Hammer and Stanton, 1995). To implement reengineering process top management commitment is required.

McAdam and O'Hare (1998) Analysis revealed that top management, employee's commitment, effective communication, teamwork and their empowerment are the important critical success factors in public sector. This vision must be clearly communicated to a wide range of employees who then become involved and motivated rather than directly guided, Carr and Johansson, 1995. Cited in Sturdy, (2010)

Zairi and Sinclair (1995) comment that, "successful BPR implementation is highly dependent on an effective BPR management program which should include adequate strategic alignment and effective planning and project management techniques". These techniques should identify a methodology for external orientation and learning, making effective use of consultants in building a process vision, which integrates BPR with other improvement techniques, and ensures adequate identification of the BPR value.

McAdam and O'Hare (1998) successful implementation of BPR in public sector, top management commitment and support, education of workforce regarding BPR, their commitment and teamwork plays an important role in success of BPR. Communication and commitment building are particularly important aspects of BPR, and the ease with which management can communicate through all levels of the organization during a BPR effort, will have a significant bearing on the success of the program. It involves communicating and translating the ideas and vision of management, which must then be translated into the attitudes and behaviors of those impacted by the program. It is necessary to ensure, that the communication effort starts well in advance of the commencement of the BPR program Carr and

Johansson,(1995). In order to have a successful BPR implementation, top management should communicate with employees. These would be useful for motivating the movement in performance controlling team performance and users.

#### 2.7.4. IT Infrastructure

Branchiate.al, (1996) make the point that "factors related to IT infrastructure have been increasingly considered by many researchers and practitioners as a vital component of successful BPR efforts". IT function competency and effective use of software tools have been proposed as the most important factors that contribute to the success of BPR. Mcdonald

(1995) adopts the stance that: "IT can best enhance an organization's position by supporting a business-thrust strategy which should be clear and detailed". The degree of alignment between the BPR strategy and the IT infrastructure strategy is indicated by including the identification of information resource needs in the BPR strategy. IT infrastructure and BPR are interdependent in a sense that deciding information requirements for the new business process determines IT infrastructure.

#### 2.10. Factors Related to BPR Challenges

Besides the success stories of BPR there is a list of failures in business world.

Organizations used BPR to improve their performance by changing business processes radically and fundamentally, however, its implementation phase is the most challenging one.

Al-Mashari and Zairi (1999) recognized implementation of BPR as complex and needs to be checked against several success and failure factors to ensure successful implementation by avoiding implementation pitfalls.

According to (Al-Meshari and Zairi) classified the factors that could affect BPR implementation into following dimensions:

Change management system, management support, organizational structure Project management and IT infrastructure.

On the studied literature, researcher agreed on the common five dimension; change management system, project management, management's support and leadership, organizational structure and IT aspects .These dimensions (and their related factors) are adequate with the private and public sectors.

Other reasons for BPR failures are communication gap, always aiming for profitability from top management and lack of top management attention and support as well as lack of support from line management while employees resists because they consider failure as too risky and resulting in bankruptcy, lack of coordination among cross-functional groups (Bashein et. al.,

1994; Champy, 1993; and Grover et. al., 1995)

Another problem of BPR implementation is up- front costs are high, particularly in the areas of training and consultant fee, with a time consuming learning curve (Bozman,1993).Linking business strategy with IT, implementing and maintain the technologies required to support the reengineering effort may be extremely difficult for many companies which tend to concentrate on the technology side(Bulkeley,1992). There is the possibility of redesigning process that might be obsolete and/or shifted outside to partners in the extended business network (Venkatraman,1994).

#### 2.8.1 Management System and Culture

Underestimating the human side of BPR is cited by many authors as one of the key failure mechanisms which prevent successful implementation. In cases where BPR resulted in company downsizing, human resource tends to suffer strong setback (Ehrbar,1993). Many study show that following a downsizing, surviving employees become narrow minded, self-observed and risk averse. That, in turn, results in sinking moral, productive drop, and distrust of management (Cascio, 1993). Under judge the employees in BPR is one of challenging factor in implementation process.

(Davenport, 1993) lack of appropriate training for those affected by BPR as well as a lack of understanding of BPR and the absence of theory, as further possible failure mechanisms.

George and Jones (2008) posited that change is necessary to maintain a competitive edge, but is not always a smooth process. Managing individual resistance is easier than organizational resistance because a tightly knit group may have an overdeveloped sense of cohesiveness that encourages organizational inertia. Unless giving training for employees who are distress cause of the BPR project there would face challenge in implementation.

Davenport (1993) makes the point that; "inadequate communication between BPR teams and other personnel relating to the need for change and the hiding of uncertainties in communication can result in a lack of motivation and reward". Talwar (1993) also points out that; "organizational resistance can result from inadequate communication between BPR teams and

other personnel relating to the need for change" which can result in a lack of motivation and reward. Issues about BPR must be addressed honestly and openly as it has contribution for positive employee's performance and motivation.

Naturally, BPR fosters change and human being resists change. This resistance is the most common barrier of BPR and renders success difficult (Guimaraes, 1999). Employees resist changes because of uncertain future initiated by BPR changes including job loss, authority loss, and getting anxious (Palmer, 2004). Authors believe critical success factors can be mapped to a positive readiness indicator, and the failure factor has mapped to readiness indicator. In fact, the hypothesis is measuring critical success and failure factors can clarify readiness/un readiness level in executing BPR project.

Mengesha and Common (2007) finding also claimed that nonexistence of appropriate rewards and motivational instruments in Ethiopian public organizations caused to sluggish BPR change initiatives. BPR cultivate change and uncomfortable feeling with the new working environment.

#### 2.8.2 Problem Related to Top Management Commitment and Support

Most of the time reengineering effort fails because of resistance as it is considered as a threat to middle management. Other reasons for BPR failures are communication gap, always aiming for profitability from top management and lack of top management attention and support as well as lack of support from line management while employees resists because they consider failure as too risky and resulting in bankruptcy, lack of coordination among cross-functional groups (Bashein et. al., 1994; Champy, 1993; and Grover et. al., 1995).

According to Basheinel, al. the problem can arise due to; "a lack of top management attention and support and also due to lack of sustained management commitment and leadership". Lack of leadership and inability to properly handle personal risk and confrontation (Tadler, 1992). It indicates that making people feel they are part of the reengineering process can improve employee morale and alleviate negative feelings. It's difficult to expect success from the old process which does not initiate the organization to improve.

#### 2.10.3. Problem to Organizational Structure

As Wu and Du,(2010) cited in sturdy 2010. BPR project begin due to the felt needs of changing the old processes for improved performance, organizations can quickly change the old processes with new processes. In addition, to implement new processes successfully, new organizational

structures, jobs definition and responsibility allocations, and infrastructures adjustments are required.

A lack of trust between management and employees combined with an ignorance of others values. Underestimating the role of politics in BPR (Grovel et al, 1995). Succumbing to the pressure to produce quick results, many managers who implemented BPR tend to ignore the massive change in organizational structure, have misused and alienated middle managers and lower level employees, sold off solid business, neglected important research and development, and hindered the necessary modernization of their plants Cascio, (1993).

The inability to create cross-functional project teams and difficulty in finding suitable teams members can give rise to serious problems. The inability of an organization to create flexible, hierarchical structures can also be problematic with people thinking solely in terms of their own immediate working group. Hoffman, (1997) cited in Al-Mashari, M. and Zairi, M. 1999.

Conflicts can also occur between BPR teams and the persons within them who have functional responsibilities which can lead to unclear definition of job roles Hammer and

Champy (1993) Lack of IT staff credibility and involvement in Reengineering teams (Davenport and short,1990). Inadequate communication among members Grover et al, (1995). Lack of training for BPR teams Davenport, (1993). Lack of authority given to BPR teams Grover et al, (1995). Inadequate team skills Hoffman, (1997). People might face employees who do not like to work with other people in a team. Consequently, it is difficult to expect success from such people.

#### 2.8.4. Project Management Problem

Problems relating to goals and measures can be due to a lack of clear performance objectives and milestones for a BPR program which has poorly defined needs, which can result in a difficulty in establishing performance goals.

Many companies to day pursue such solution as BPR without understanding future performance level goals. As a result, processes are applied to intangible targets and root causes of business problems are in adequately defined (Belmonte and murray,1993) .first BPR goals and objectives must defined. For some companies, creating an environment in which reengineering will succeed may be exceedingly difficult Grover,et,al (1993).Some argue in favor of more gradual departures from traditional practices since managerial innovations take time and induce substantial strain on the organization (Brown ,1993).

Basheinet. al., (1994) further state that "program failure can occur due to a lack of required resources for BPR efforts and undertaking BPR without the provision of adequate or sound financial resources". Another difficulty can be the failure to understand the total financial impact of BPR, and also difficulty in forecasting human, financial, and other resources.

#### 2.8.5 Problem Related to IT Infrastructure

: '...it is exactly this enabling infrastructure that facilitates and helps drive the process of redesigning processes and procedures of the institution.

Lack of integration due to insufficient telecommunication infrastructure capabilities as well as database infrastructure capabilities is another factor Davenport, 1993; Venkatraman,

(1994). Failure to deliver the right information system application time and loss of human expertise, lack of documentation or obsolete documentation are others Tilley, (1996).

Information system infrastructures in most large organizations today are a major impediment to achieving immediate benefits. Inappropriate technology may breed failure in the entire BPR efforts. This recalls the need to think about before designing, developing and adopting technology infrastructures.

#### 2.9. BPR in Ethiopia

The Ethiopian government has taken BPR as a panacea for the problems of inefficiency in the performance of the civil service organizations Debela, (2009). Business Process

Reengineering (BPR) has been considered as a government sector technique to help organizations fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational costs, and become responsive Ministry of Health BPR document, (2007).

Getachew and Common (2006) came up with the success of BPR in two ministries: Ministry of Education and ex-ministry of Trade and Industry. The fact that the study was conducted during the early stage of BPR implementation it reflects the then momentum. But, the sustainability of the momentum is the question to be answered.

According to Teka, Fiseha and Solomon 2007).inconsistency in performance evaluation system and lack of accountability in performance management system, less communicated, poor sense of ownership, inefficient technological readiness, weak team work culture (Emnet and Habtamu,

2011), absence of well designed and implemented remuneration system (Tilaye, 2007), lack of awareness on service seekers side on their duties and responsibilities (Mesfin&Taye .Besides, BPR is failed in a sense that the momentum in the early implementation stage could not be sustained as it was not accompanied by job grading and incentive packages. Some (including the ex-minister of Civil Service) argue that the reform tools like BPR failed to address the intended objective of delivering efficient and effective public services, Cited in FekaduNigussa, (2013).

#### 2.10. BPR in Public Bureau Organizations

Hammer and Champy (1993) went further to identify public bureau organizations. Public bureau organizations are those involved in providing communal service. Reengineering has become accepted approach in the reform efforts of public organizations. Originally, it is conceived as a technique designed to introduce radical changes in employee performance, improving business operations and competitiveness.

Sometimes, as Little (1996) pointed out BPR is emerging as a stylish and forceful expression of ongoing initiatives. The purpose is to redefine administrative values and philosophies; methods and systems of government bureaucracies which have been deemed obsolete and incompatible with the demands of a difficult and complex socio-economic and political environment.

Reyes (1997), Little (1996) and Morgan (1982) pointed out the underlying challenges for public bureau organizations to adopt this concept of BPR. Some of these challenges are rise in population expectation, resource decline, turbulent conditions, themes of globalization, decentralization, governance, the information age, rise in technology and many others. Meanwhile, (Levy, 1998; Van Johnson,1996; Staana, 1996; Boer, 1995; Bovaird and Hughes, 1995; Callender and Johnston, 1995) witnessed reengineering tools and practices have now been adopted in the outline of public bureau organizations of developed and developing countries, both at the local and national levels.

Hammer and Champy (1993) argued the achievement of BPR project fail at the shoulder of organizational work force. In turn, public bureau employees" attitude for success and failure factors of BPR determines how well or how bad that project outcome would be with employee performance.

#### **CHAPTER THREE**

#### RESEARCH DESIGN AND METHODOLOGY

#### 3.1 Research Design and Approach

The descriptive survey method used in this study. Since the study involved different group of people from different angles it is appropriate to use this method to obtain information about practice and challenges of BPR implementation. Descriptive research is used to obtain information concerning the current statues of the phenomena to describe "what exists" with respect to conditions in a situation.

#### 3.2 Sample Size, Sampling Technique and Method

This study used judgmental or purposive sampling technique for a number of good reasons. First, people who involved in the design process were limit in number and therefore were crucial to find them and communicate. Second, that on leadership (from staff representative to administrator) was more relevant in providing information on the issue than ordinary people and therefore they should be target. The technique is also cost effective as it reduces cost, time and fewer burdens on the researcher.

The researcher was considered work forces of DCA working in civil service bureau and land administration bureau of the city administration. The main reasons for this selection are the following:

- ➤ Both civil service and land administration bureaus are large in terms of attention and focus given by the city administration.
- ➤ Both are the main spring points for any activity of bureaus included under the city administration.
- ➤ Civil service officials have dual responsibilities. First, employees working for civil service are responsible for issues of BPR on behalf of the city administration. Second, employees are responsible to consult and address BPR related issues of other bureaus. This implies employees working in civil service bureau need to specialize in areas of expertise of other bureaus.
- The power to control other bureaus before and after performing activities of the city administration. This power is at the hand of civil service bureau.

- Land administration is the most sensitive bureau of the city administration. This is because almost all activities of the city administration (which includes other bureaus too) tries to address land related activities.
- ➤ DCACSB (2016) and DCALA (2016) have 105 employees working in the stated bureaus. Of which, the researcher will take 60 percent of each bureau. For this purpose, simple random sampling (the lottery system) was applied.
- ➤ A total of 63 questionnaires were distributed out of which 60 were filled and returned to the researcher. Beside the data were collected, interview was conducted face to face and recorded and transcribed for the purpose of analysis. The interview continued until saturation points.

#### 3.3 Source of Data

This study is a descriptive study; it assesses the status of practice and challenges of BPR implementation detail and describes various factors that would have significant impact on BPR implementations. In order to achieve the stated objectives, primary/qualitative and secondary data were used. Quantitative data was collected from administrative staff members using self-administered questionnaires. And the qualitative data was collected through interviews form administrative team leaders and managers. This instrument is chosen because of its ability to collect the primary data accurately.

#### 3.4 Data Gathering Instruments

#### 3.4.1 Questionnaire

Questionnaire is a research instrument consisting of a series of questions and other prompts for the purpose of gathering information from respondents. Questionnaires have advantages over some other types of surveys in that they are cheap, do not require as much effort from the respondent and often have standardized answers that make it simple to compile data.

#### **Design of the Questionnaire**

Most of the questions in the questionnaire were developed from the review of related literature.

The questionnaire had two parts. The first part was dealt with the personal information of the respondents. And the second part of the questionnaire was about questions concerning the practice and implementation of business process reengineering. The items were evaluated using a

Likert scale. Data was gathered from both academic and administrative staff through questionnaire with questions rated from 1 to 5 Likert scale. These likert scales are commonly used in attitudinal measurements. This type of scale uses a five-point scale ranging from strongly disagree, disagree, neither agree nor disagree, agree, strongly agree to rate people's attitudes.

#### 3.4.2 Interview

Interview was the other type of data collection instrument used in the study. This means of data collection instrument helps the researcher to get reliable information from the target population that how they feel and think about the problem. Interview according to Arilunto(2002) is a kind of dialogue which is done by an interviewer to get reliable information from an interviewee.

Consequentially, the purpose of the interview was to substantiate the results obtained from the questionnaire thereby to get a greater depth of information. The interview questions will prepare in semi structured type. There were a total of 8 questions asked to selective members and the senior managers.

#### 3.5 Procedure of Data Gathering

The researcher adopted three steps in collecting the data for the study. First, relevant literature was reviewed to get adequate information on the topic. Second, objectives and research questions were formulate to show the direction of the study. Third, data gathering tools were developed and piloted. After the questionnaire was distributed and collected, interview with the senior management of the organization was conduct.

And as part of secondary data, publicly available information was access. Moreover, literatures related to the subject were exploiting from the internet and books.

#### 3.6 Pilot Test

#### Reliability

The researcher used tested questionnaires. Earlier researchers Abdolvand, et al. (2008) has tested questionnaires for reliability and validity. The researcher re-assured reliability with Cronbach's alpha coefficient. It measures the interrelationship between items in the questionnaire. A reliability of 0.70 or more is acceptable Terziovski, et al. (2003). In this research, the Cronbach's alpha is equal to 0.92(all ranked above 0.70). This analysis indicates that the scale used in the study is reliable.

**Reliability Statistics** 

Tronuncinity Changer				
Cronbach's	N of Items			
Alpha				
.923	16			

#### 3.7 Method of Data Analysis

The descriptive analysis was used for the study, because it is concerned on the distribution of one variable. It was provide the description of practice and challenges of BPR implementation regarding with success and failure factors.

There are two types of data analysis techniques namely: qualitative and quantitative where by the choice of these methods greatly depends on the type of information the researcher has at hand. If most of information collected contains numerical, the analysis calls for quantitative tools and descriptive statistics can be used to characterize the data. On the Other extreme, if most of the data collected are in words which mean data gathered using individual interviews, open —ended questions and focus group discussion, it is logical enough to apply qualitative data analysis tools Nunnery et al., (1994).

Therefore, the data collection tools for this study, data were collected in both Questionnaire and interview. Accordingly, the collected data was analyzed qualitatively and quantitatively.

#### 3.8 Ethical Consideration

Before the research was conducted on the selected organization, the researcher inform the participants of the study about the objectives of the study, and was consciously consider ethical issues in seek consent, avoid deception, maintain confidentiality, respect the privacy and protest the anonymity of all respondents. A researcher must consider these points because the law of ethics on research condemns conducting a research without the consensus of the respondents for the above listed reasons.

## CHAPTER FOUR DATA ANALYSIS AND INTERPRETATION

#### Introduction

In this section the result and discussion of finding was organized by using descriptive statistics, such as frequency, percentage, mean, and standard. The data obtained through interview and questioners were analyzed by using quantitative and qualitative method.

The quantitative data gathered through questionnaire were analyzed by employing the computer software known as Statistical Package for Social Science (SPSS version 19). The data obtained through interview were analyzed qualitatively.

#### 4.1. General Information about the Respondents

In this section the researcher tries to include sample proportion, educational level and working experience of the respondents.

**Table4.1.Sample Proportion** 

Bureau	Frequency	Percentage
Capacity building	32	53.3
Land administration	28	46.7
Total	60	100

However, only 60 questionnaires are taken back from respondents. While all land administration bureau employees gave back the questionnaires, six employees of capacity building bureau failed to do so. Hence, 9% questionnaire unreturned rate is absorbed.

The researcher preferred land administration and capacity building bureaus to represent Dukem City Administration. They are preferred to others with the following reasons. One both is wider than other bureaus in the organization. Second, both bureaus need to incorporate employees who specialize in disciplines and professions that the organization need to have. For instance, capacity-building staffs are responsible to consult all employees in all aspects of the organization. By implication the researcher can find representatives of all bureaus, disciplines and professionals in one and large bureau i.e. capacity building.

Thus, the intention of considering capacity building and land administration bureaus is to look the performance of employees working in those bureaus and to consider them as representatives of DCA workforce performance.

**Table 4.2. Working Experience of Respondents** 

Year	Frequency	Percentage
Less than a year	4	6.7
1-2 year	8	13.3
3-5 year	28	46.7
6-10 year	20	33.3
Total	60	100

80% of the respondents have work experience of above 3 years. Hence qualification and work experience have positive impact on the quality of the response and understanding of the subject. This implies majority of respondents responded in this study was experienced workers that means to understand the changes (performance improvement) after and before BPR implementation. This information to help the researcher's to get accurate information about current status of BPR results.

Figure 4.3. Respondent's Level of Education

Level of education	Frequency	Percentage
Diploma	20	33.3
Undergraduate	40	66.7
Total	60	100

Respondent's profile with respect to their current educational level, and their position at organization were analyzed. Of the 60 respondents, about 33.3 per cent were Diploma holders, 66.7 per cent were first degree holders

## 4.2 Data Analysis Pertaining to the Study

## **Important Inputs for BPR success/ Implementation**

The success factors mentioned in the Tables are important factors to BPR implementation. There respondents were asked to rate the degree to which each success factor was agreed in the context of implementing the specific BPR project. Each of the questions was rated in a 5– point ranging from strongly agree (1) to strongly disagree (5). This factors related to strategic objectives, organizational structure, human resource requirement, facility and resource, budget allocation, employee's culture, management commitment and leadership and factors related to IT.

**Table 4.4 Strategic Objective of DCA** 

Statement		Strongly	Agree	Neutral	Disagree	Strongly	
		agree				disagree	Total
The organization BPR are linked with	frequency	8	6	10	20	16	60
strategic objective							
	percentage	13.36	10.02	16.7	33.4	26.72	100
Strategic objectives are clearly	Frequency	12	7	13	18	10	60
communicated to all team members							
	Percentage	20.04	11.69	21.71	30.06	16.7	100
A BPR team shares a clear vision and	Frequency	22	6	8	16	8	60
understanding of BPR success	_						
	Percentage	36.74	10.02	13.36	26.72	13.36	100

Accordingly 23.38% of respondents agree, 16.7% were not sure and 60.12% of respondents disagree on the organization BPR linked with strategic objective. 31.73% respondents agree, 21.1% were not sure and 46.76% respondents disagree towards on strategic objectives are clearly communicated to all team members. 46.76% respondents agree, 13.36% were not sure and 40.08% respondents disagree regards on a BPR team shares a clear vision and understanding of BPR success. This perhaps indicates that many of the employees' comments were not considered or the strategic objectives with the organization BPR were not designed properly. In general, the employee responses show that the strategic objective is not steady in scheming the BPR implementation to keep an eye on how team members succeed the vision.

Table 4.5Organizational Structure as an Input for BPR Implementation

Statement		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Authority and responsibility are well delegated to all team members	Frequency	6	11	8	18	17	60
	Percentage	10.02	18.37	13.36	30.06	28.39	100
The structure allow quick communication between members and team leaders	Frequency	4	3	16	27	10	60
	Percentage	6.68	5.01	26.72	45.09	16.7	100
Line of authority in the organization is clear	Frequency	7	12	6	18	17	60
	Percentage	11.69	20.04	10.02	30.06	28.39	100
The structure aligned with strategic objectives	Frequency	5	9	12	20	14	60
	Percentage	8.35	15.03	20.04	33.4	23.38	100
There is work division to be done in specific jobs/job description.	Frequency	5	14	8	21	12	60
	Percentage	8.35	23.38	13.36	35.07	20.04	100

28.39 respondents agree, 13.36% were not sure and 58.45% respondents disagree that authority and responsibility are well delegated to all team members. 11.69% respondents agree, 26.72% were not sure and 61.79% respondents disagree on the structure allow quick communication between members and team leaders. 31.73% respondents agree, 10.02% were not sure and 58.45% disagree to Line of authority in the organization is clear. 23.38% respondents agree, 18.37% were not sure and 56.78% respondents disagree on the structure aligned with strategic objectives. 31.73% respondents agree, 20.04% not sure and 60.12% respondents disagree towards on there is work division to be done in specific jobs/job description. We can conclude that there is lack of comprehensive structural environment in the organization.

**Table 4.6 Human Resource Requirement for BPR Implementation** 

Statement		Strongly	Agree	Neutral	Disagree	Strongly	Total
		agree				disagree	
Employees are considered as an	Frequency	13	11	9	20	7	60
important partner for							
implementation							
	Percentage	21.71	18.37	15.03	33.4	11.69	100
Employees are empowered to do	Frequency	8	12	8	18	14	60
their jobs in a better way							
	percentage	13.36	20.04	13.36	30.06	23.38	100
Employees are provided job as per	Frequency	7	15	10	24	4	60
their qualification							
	Percentage	11.69	25.05	16.7	40.08	6.68	100
Employees are trained as per BPR	Frequency	8	9	16	19	8	60
requirement							
	Percentage	13.36	15.03	26.72	31.73	13.36	100
Employees performance and reward	Frequency	3	5	7	32	13	60
system is linked							
	Percentage	5.01	8.35	11.69	53.44	21.71	100

45.09% respondents disagree that employees are considered as an important partner for implementation, 15.03% not sure and 40.08% respondents agree.33.4% respondents agree that employees are empowered to do their jobs in a better way13.36% not sure and 53.44respondentsdisagree.36.74% respondents agree, 16.7% were not sure and 46.76% respondents disagree to employees are provided job as per their qualification.28.39% respondents agree, 26.72% were not sure and 45.09% respondents disagree to employees are trained as per BPR requirement.75.15% respondents disagree that, employee's performance and reward system is linked 11.69% not sure and only 13.36 respondents agree.

Most employees of the organization disagreed that the implementation of BPR has been underway in their organization and they have not seen a clear career development program in place that is designed to promote their future career. This implies poor human resource management minimized performances expected from employees. As a result it affects the service rendered to customers. Interviewee from both bureaus of managers demonstrated that reward and recognition system of the organization generates low customer satisfaction.

**Table 4.7 Facility and Resource** 

Statement		Strongly	Agree	Neutral	Disagree	Strongly	Total
		agree				disagree	
Adequate facilities for implementation are timely available	Frequency	8	13	24	9	6	60
	Percentage	13.36	21.71	40.08	15.03	10.02	100
Materials are provided as per team specification	Frequency	6	20	6	15	13	60
	Percentage	10.02	33.4	10.02	25.05	21.71	100
Team leaders facilities to get the material as per the request	Frequency	9	12	8	19	12	60
-	Percentage	15.03	20.04	13.36	31.36	20.04	100

35.7% respondents agree that adequate facilities for implementation are timely available, 40.08% not sure and only 25.05 respondents disagree.43.42% respondents agree that materials are provided as per team specification, 10.02% not sure and only 46.76 respondents disagree. 35.07% respondents agree that team leader' facilities to get the material as per the request, 13.36% not sure and only 51.4 respondents disagree. Therefore, from the above responses one can learn that, most of the employees are not agree about adequate facility and materials are available at the organization. As a result the success of BPR implementation faces a problem regard with insufficient materials and resources.

**Table 4.8 Budget Allocation** 

Statement		Strongly	Agree	Neutral	Disagree	Strongly	Total
		agree				disagree	
Annual budget is linked with the	Frequency	11	6	8	19	16	60
implementation plan							
	Percentage	18.37	10.02	13.36	31.73	26.72	100
Budget requirement for	Frequency	10	18	7	13	12	60
implementation is clearly stated							
	Percentage	16.7	30.06	11.69	21.71	20.04	100
Budget is clearly list up on request	Frequency	16	9	10	18	7	60
	Percentage	26.72	15.03	16.7	30.06	11.69	100

28.39% respondents agree that annual budget is linked with the implementation plan, 13.36% not sure and only 58.45 respondents disagree. 46.76 respondents agree, 11.69% were not sure and 41.75% respondents disagreed regards on budget requirement for implementation is clearly stated. . 41.75 respondents agree, 16.7% were not sure and 41.75% respondents disagree. Most respondents are doubtful and disagreed on sufficient budget allocated for the implementation of BPR. In contrast, reengineering is impossible without spending necessary money/budget to run the radical change in the organization.

**Table 4.9 Employee's Culture** 

Statement		Strongly	Agree	Neutral	Disagree	Strongly	Total
		agree				disagree	
There is a diversified, expert	Frequency	3	8	14	16	18	60
team/team oriented							
	Percentage	6.68	13.36	23.38	26.72	30.06	100
There is a participative culture to ensure the organization goal	Frequency	6	5	10	25	14	60
	Percentage	10.02	8.35	16.7	41.75	23.38	100
Recognition and reward system	Frequency	4	2	7	19	28	60
adjusts to serves the employees							
	Percentage	6.68	3.34	11.69	31.73	46.76	100
Employees are empowered to make	Frequency	8	7	13	19	13	60
decision							
	percentage	13.36	11.69	21.71	31.73	21.71	100
The organizational policy	Frequency	9	7	9	25	10	60
encourages creativity							
	Percentage	15.03	11.69	15.03	41.75	16.7	100
The performance measurement	Frequency	2	6	10	20	22	60
adequately correspondent's to the							
change							
	Percentage	3.34	10.02	16.7	33.4	36.74	100

56.78 respondents disagree, 23.38% were not sure and 20.04% respondents agree on there is a well-trained, diversified, expert team/team oriented.65.13 respondents disagree,16.7% were not sure and 18.37% respondents agree toward a participative culture to ensure the organization goal. 78.49 respondents disagree, 11.69% were not sure and 10.02% respondents agree to recognition system adjusts to serves the employees.25.05% respondents agree that employees are empowered

to make decision, 21.71% not sure and only 53.44 respondents disagree. 26.72% respondents agree that the organizational policy encourages creativity, 15.03% not sure and only 58.45 respondents disagree.13.36% respondents agree that the performance measurement adequately correspondent's to the change, 16.7% not sure and only 70.14 respondents disagree. The result show that majority of respondents disagree that employee's culture in the organization is well performed. As a result, we can conclude that employee's culture at the organization is a critical problem for BPR success. The literature on BPR generally emphasizes that reengineering processes and human aspects have to be dealt with concurrently. For example, Reengineering insists that people no longer be paid the old way, for the time they start working with the newly designed tasks. Instead they must be paid for the value(s) they add to the business. Therefore, new reward/incentive must be started with BPR implementation. In addition, Hammer and Champy emphasized the need to stop using career advancement as a reward for performance in the current job.

**Table 4.10 Management Commitment and Leadership** 

Statement		Strongly	Agree	Neutral	Disagree	Strongly	Total
		agree				disagree	
Top management frequently communicate with team leaders and users	Frequency	3	7	6	13	31	60
	Percentage	5.01	11.69	10.02	21.71	51.77	100
Managers constructively use their subordinates' idea	Frequency	8	10	12	17	13	60
	Percentage	13.36	16.7	20.04	28.39	21.71	100
Top management consider BPR as a way to improve service	Frequency	5	5	8	23	19	60
	Percentage	8.35	8.35	13.36	38.41	31.73	100
Top management enables to influence, motivate and lead to contribute toward the success of the organization.	Frequency	9	10	10	17	14	60
	Percentage	15.03	16.7	16.7	28.39	23.38	100
Manager provide guidance and act as a role model to employees	Frequency	2	8	11	22	17	60
	Percentage	3.34	13.36	18.37	36.74	28.39	100

73.48% respondents disagree that top management frequently communicate with team leaders and users,10.02% not sure and only 16.7 respondents disagree. 50.1% respondents disagree that managers constructively use their subordinates' idea, 20.04% not sure and only 30.06 respondents disagree.70.14% respondents disagree that top management consider BPR as a way to improve service and product,13.36% not sure and only 16.7 respondents disagree. 51.77 respondents disagree, 16.7% were not sure and 31.73% respondents agree on top management enables to influence, motivate and lead to contribute toward the success of the organization. 65% respondents disagree, 18.37% were not sure and 16.7% respondents agree on the way to manager provide guidance and act as a role model to employees.

The leader is responsible to make the decision to reengineer, to make reengineering succeed and to create the environment in which reengineering can succeed. But reengineering is never a one-person show; the leader cannot do it alone.

The finding of this research, which shows that majority of respondents disagreed that top management support for reengineering BPR.

**Table 4.11 IT Infrastructures** 

Statement		Strongly	Agree	Neutral	Disagree	Strongly	Total
		agree				disagree	
There is effective configuration of	Frequency	8	11	10	22	9	60
IT infrastructure							
	Percentage	13.36	18.37	16.7	36.74	15.03	100
There is proper information systems	Frequency	6	12	9	18	15	60
(IS) integration							
	Percentage	10.02	20.04	15.03	30.06	25.05	100
The use of IT function increase	Frequency	15	16	8	13	8	60
competency							
	Percentage	25.05	26.72	13.36	21.71	13.36	100

31.73% respondents agree, 16.7% were not sure and 51.77% respondents disagree that there is effective configuration of IT infrastructure. 30.06% respondents agree, 15.03% were not sure and 55.11% respondents disagree that there is proper information systems (IS) integration. 51.77% respondents agree, 13.36% were not sure and 35.07% respondents disagree that the use of IT function increase competency.

**Table4.12 BPR Implementation Challenges** 

Statements		Strongly agree	Agree	Neutral	Disagree	Strongly disagree	Total
Failure to implement BPR caused by lack of commitment and support demonstrated by the organization highest level management	Frequency	20	19	12	5	4	60
	Percent	33.4	31.73	20.04	8.35	6.68	100
Employees resistance to change due to job displacement:	Frequency	9	8	7	24	12	60
	Percent	15.03	13.36	11.69	40.08	20.04	100
Absence of management system (e.g. incentive, training, education communication about BPR progress	Frequency	21	23	7	4	5	60
	Percent	35.07	38.41	11.69	6.68	8.35	100
Problems related to rigid hierarchical structures, jobs definition, and responsibility allocation	Frequency	23	19	9	5	4	60
	Percent	38.41	31.73	15.03	8.35	6.68	100
Difficult to implement BPR due to teams communication barrier	Frequency	7	13	8	12	20	60
	Percent	11.69	21.71	13.36	20.04	33.4	100
Spending too much time in analyzing existing processes	Frequency	14	10	16	16	4	60
	Percent	23.38	16.7	26.72	26.72	6.68	100
Top management reluctant to commit funds for BPR	Frequency	10	20	16	11	3	60
	Percent	16.7	33.4	26.72	18.37	5.01	100
Not use progress evaluation to determine what is working and what is not	Frequency	8	12	12	16	12	60
	Percent	13.36	20.04	20.04	26.72	20.04	100
Employees and customers know-how deficiency about the use of IT in the redesigned processed impede BPR Implementation		9	7	26	8	10	60
	Percent	15.03	11.69	43.42	13.36	16.7	100

As shown from table, 65.13% of the respondents agree on the proposition that top management lack commitment and support BPR implementation process. The other 15.03% disagreed with the proposition while the remaining 20.04% were unsure about it. In general, the employee responses shows that top management is not consistent in controlling the BPR projects to monitor how things are actually proceeding and to take action before any difficulty arises.

Generally, the results of our study indicate that there is still be a lack of high level management support (involve directly and indirectly in implementation process) for reengineering. In an interview with the researcher, one of the manager of the organization agreed that some top management lacks commitment and admitted that there were resistances even among the managers. 28.39% of the respondents agree, 11.69% were not sure, 60.12% of the respondents disagree most of respondents rated disagree that employees not resistance to change due to job displacement. 35.07% of the respondents disagree, 26.72% were not sure, and 38.41% of the respondents agree most of respondents were deemed that not to give adequate training for employee or for all staff members to implement effectively. 15.03% of the respondents disagree, 11.69% were not sure, 73.48% of the respondents agree most of the respondents to agree that no adequate change management system so that to motivate employee during and after BPR implementation (e.g. incentive, training and education).

As a result, it can be concluded that majority of respondents agreed that lack of reward and motivation is the common factor faced by the organization and the biggest barrier in change. In addition lack of enough training and education for all staff members was other reasons for challenges caused by change management system because not properly management. In general, the greatest challenges of Dukem city administration not in managing the technical or operational aspects of change, but in managing the human dimensions of change.

Interviewee's from land administration manager, Administrative team leader shows that employees' commitment to acceptance of change before and during implementation is low; Experienced and trained employee turnover is high and its replacement is very costly; no enough salary and benefit that could attract new employee that are experienced in the field. The other problem is lack of enough budgets to train and educate as well as to motivate all staff to create a radical change of BPR implementation and performance improvement at desired level. 53.44% of the respondents disagree there was no problem related to rigid hierarchical structures, jobs

definition and responsibility allocation,13.36% were not sure and 33.4% of the respondents agree. 40.08% of the respondents agree that lack of effective BPR team members to facilitate the reengineering process and committed to change. 26.72% were not sure, 33.4% of the respondents disagree.

Responses to the two items, rigidity of hierarchy and ineffectiveness of BPR team operation, of the variable in question show disparity.

Interviewee from capacity building manager showed that BPR team members did not have the required expertise as well as they were not composed of rights persons for the job were chosen based on their skills, past accomplishments, reputation, and flexibility. The trained team members had no commitment to stay during the whole duration of the strategic implementation and keep accurate records of every action/decision.

Accordingly 50.1% of respondents agree, 26.72% were not sure, and 23.38% of respondents disagree regarding to spending too much time in analyzing existing processes (difficult to delivering a successful BPR project on time). 53.44% of respondents agree on inadequate regular and scheduled meeting of team leaders to get feedback on BPR implementation progresses. 33.3% of respondents agree, 20% were not sure and 46.7% of respondents disagree on not-use of progress evaluation to determine what is working and what is not. 53.3% of respondents agree, 26.6% were not sure and 20% of respondents disagreed top management reluctant to commit funds for BPR.

Issues of timing in the sense that the project taking too long and uncertainty about the project's time frame. It suggests that managing the timing of the project and setting realistic expectations are critical problems for BPR success. The other one is managing the human and technical issues surrounding implementation of new process and assess the results of its reengineering effort; i.e. inadequate on-going Top management reluctant to commit funds for BPR performance measurement and feedback to continually improve the new process, poor managed communication, the employees will not have the accurate information and know what to expect from change with the right reasoning. These in turn results in rumors and resistance to change and exaggerating the negative aspects of the change. The other challenge was lack of arranging and providing sufficient resources over the life of the project to achieve goals are the major problems arise as the above table indicates.

26.72% of respondents agree, 43.42% were not sure and 30.06% of respondents disagree that employees and customers know how deficiency about the use of IT in the redesigned processed impeded BPR implementation. Problems related to training provision about IT use in the redesigned processes. Majority of respondents disagree regarding to problem of IT. This implies respondents to adhere importance of IT to improve the competitive position of organization i.e., in information exchange, knowledge transfer, collaboration, information storage, preservation, dissemination and use.

Table 4.13 Operational Change in BPR for Core Administrative Issue in Dukem city Administration

Statement		Standard
	mean	deviation
All recruitment are made based on open competitions	2.33	1.03
Efforts are made to raise staff commitment to implement	2.66	1.08
BPR recommendations		
There is Proper documentation	2.33	1.08
There is continuous staff training and upgrading	2.86	1.15
Demand driven programs are being designed and developed	2.93	1.13
Efforts are made to assess training needs	2.2	1.05
Remedial programs are given regularly	2.46	.96
Up-to-date administrative materials are available	2.4	.717
There is sufficient ICT support for administrative process	3.06	.868
Average	2.58	

The respondents are asked nine questions related to the expected output of BPR implementation, which can be used to evaluate the current status of BPR implementation at Dukem city administration. The questions, weighted mean and standard deviation are outlined in table. The current status of operational change in core administrative processes was also examined. Respondents were asked to rate the proposition against what they have observed change. In this regard, only few propositions were rated slightly above moderate.

This indicates the academic core issue was not dramatic improvement after BPR implementation. These core processes are the output of BPR then the inadequate improving current work processes and lack of assessing which processes was greatest need of improvement in terms of cost, quality, and timeliness that affect the outcome of BPR on performance improvement.

#### **CHAPTER FIVE**

#### SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Summary of Major Findings

Based on data analysis the following major findings are presented below

- In this study the success of BPR measured based on the administrative core issue of performance improvement and goal /objective of BPR accomplishment. But the administrative core issue and the objective /goal of BPR was not achieved at a desired level.
- Lack of motivation of employees to facilitate the reengineering effort, weaker and inconsistent support provided by top management on BPR progress, not providing enough training and education by putting the expected result from BPR at specified time framework, absence of incentive system adjusted to serve the employees after the change, inadequate performance measurement crossholding's to the change are the major problem arising in the analysis and discussion part.
- The other one of BPR team is not composed of top-notch (high standard achieved) people who are chosen for their skills, past accomplishments, reputation, and flexibility and the same project team members and did not stay during the whole duration of the strategic implementation and lack of accurate records of every action/decision. Because of this reason the organizational (DCA)majority of goal/objective accomplished and current status of core administrative issue of performance improvement in BPR is rated by the respondents to be below the moderate extent (below 3 in the Likert scale) in the organization.
- The success factors significantly related to accomplishing BPR project targets may be considered necessarily but not sufficient for BPR success.

#### 5.2 Conclusion

Based on findings of the study, the researcher concluded the following:

- Some success factors were not changed during and after BPR implementation. This hurts
  the success or the performance of the organization or the achievement of the goal and
  objective are fruitless.
- Employees' motivation through reward system plays a crucial role in facilitating the success of reengineering efforts. However, after implementation of BPR employee's personal incentive and reward system was not developed and materialized in Dukem city administration. As a result, demotivated benchmarking employees potentially hamper the organization from meeting its goals.
- Not enough training and education was provided in order to increase awareness on Business Process Reengineering without which the project could not bring desired changes.
- The greatest challenges lie not in managing the technical or operational aspects of change, but in managing the human dimensions of change. The implication is that the most important dimension of the BPR project, that is, the human dimension, remains unresolved challenge.
- Weaker and inconsistent support provided by top management resulted in the decline of the likelihood of BPR project success.
- More or less moderate accomplishment of most of the enumerated goals and objective resulted in negative impact on the benefits the organization derived from the BPR project.
- A particular BPR project has to some extent met its goals and objectives to be effective.
   In contrary, these failed to produce a significant impact on organization's performance as effectiveness of BPR implementation is below average and the organization is not gaining the competitive advantages expected from the radical change.

#### **5.3 Recommendation**

On the bases of the entire research the following recommendations for management consideration of DCA are made:

- The benefits from the BPR project may be considerable, but can also be diluted by a host
  of other variables. Thus, it behaves top managers to identify these variables affecting
  specific BPR projects, and include as part of the project goals and objectives pre-emptive
  measures.
- To make BPR successful, Dukem city administration has to work on human mind and
  assess the results of its reengineering effort so that corrective measures could be taken.
  Therefore, the organization, should setup its own methodology that best fit to their
  organization and helps in achieving its goals effectively and efficiently.
- Moreover, since redesigned processes required new job, it is appropriate to change
  existing human resource policies in line with their requirements. Thehuman resource
  policies change shall to consider empowering employees, making employees more
  responsible and accountable, and creating a culture of team work.
- Hence, to succeed in implementing BPR at Dukem city administration the organization to develop effective change management strategy and assign responsibilities to individuals that perform the change management tasks by doing so transformation managers to identifying new tasks, roles, responsibilities, reporting relationships, training needs, number of employees that would be affected by new processes, and scaling up the best practices of other institution to learn about the successful ways to plan workforce redeployment, retraining, and reductions are essential in solving human resource problems.
- Dukem city administration has to design an incentive mechanism through which it retains
  its employees by increasing their satisfaction level and developing sense of ownership
- In line with change management system, effective capacity programs and skilling development should be implemented (especially competency based training delivery on change management, IT-related innovations for competitive advantage and performance measurements should be given due emphasis).

- Lack of consistent commitment and support (involved directly or indirectly in implementation process), from top manager affect the likelihood of accomplishment of goal and objective of BPR as well as organizational performance decline. The researcher recommended that the gains achieved by the new process can erode unless the top manager continually monitors its performance and makes further refinements. A good case to undertake the changes if the top manager must be taken care of all critical success factors and minimize all factors that lead to failure of the BPR initiatives.
- Developing and deploying effective performance measurement which includes a mix of outcome, output, and efficiency measures methods. These on-going performance measurements provide feedback for a manager which is so critical for continual improvement and future success and to support the top managers to know the new process has produced the desired result.
- The organization should know which of its core processes needs improvement in order to fulfill its mission and goal then by analyzing the gap between where they are and where they need to be to achieve desired outcomes, the researcher to recommend that Dukem city administration can target those processes that are in most need of improvement by doing so to developing pilot test plan, setting performance measure, implementing the pilot test and monitoring the progresses as well as taking corrective actions based on feedbacks from employees and stakeholders are important.

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## St. Mary's university

## School of graduate studies

#### Questionnaire

## **Dear Respondents**

My name is Hawani Bake I am attending MBA program at St. Mary's University. Right now I am conducting a research entitled the practices and challenges of BPR implementation in Dukem city administration.

The data to be collected through the questionnaire is highly valuable to meet the objectives of this study. Therefore, you are kindly requested to fill in and return the questionnaire. The information you supply would be used for academic purpose only and will be kept confidential.

#### Thank you in advance for your cooperation,

Part 1: Demographic variables of the respondents

Please put an (X) mark in front of the alternative you thought as an answer.

1- In which bureau do you belong?	
Capacity building	Land administration
2. Gender	
Male	Female
3. What is your highest level of educatio	n?
Diploma	
Undergraduate	
MA/MSC	
PHD or above	
4. Age Below 20 20-3	30
31-40 41-50	others specify
5. For how long have you worked for thi	s organization?
Less than a year 1-2 year	3-5 year 6-10year
Others	
6. What is your position at Dukem city a	dministration?
Subordinate staff member	
Administrative staff	

## Part 2 . Opinion survey

Note: put a tick mark ( $\sqrt{}$ ) to your response for the questions following.

1. Strongly agree 2. Agree 3. Neutral 4. Disagree 5. Strongly disagree

# The following are success factors of PR implementation at Dukem city administration Strategic objectives

Question item					
	1	2	3	4	5
The organization BPR are linked with strategic objective					
Strategic objectives are clearly communicated to all team members					
A BPR team shares a clear vision and understanding of BPR success					

## **Organizational structure**

Question items	1	2	3	4	5
Authority and responsibility are well delegated to all team members					
The structure allow quick communication between members and team leaders					
Line of authority in the organization is clear					
The structure aligned with strategic objectives					
There is work division to be done in specific jobs/job description.					

## **Human resource requirement**

Question item	1	2	3	4	5
Employees are considered as an important partner for implementation					
Employees are empowered to do their jobs in a better way					
Employees are provided job as per their qualification					
Employees are trained as per BPR requirement					
Employees performance and reward system is linked					

#### **Facility and resource**

Question item	1	2	3	4	5
Adequate facilities for implementation are timely available					
Materials are provided as per team specification					
Team leaders facilities to get the material as per the request					

## **Budget allocation**

Question Item	1	2	3	4	5
Annual budget is linked with the implementation plan					
Budget requirement for implementation is clearly stated					
Budget is clearly list up on request					

## **Employee's culture**

Question item	1	2	3	4	5
There is a well-trained ,diversified, expert team/team oriented					
There is a participative culture to ensure the organization goal					
Reward or recognition system adjusts to serves the employees a					
Employees are empowered to make decision					
The organizational policy encourages creativity					
The performance measurement adequately correspondent's to the change					
Management commitment and leadership					
Question item	1	2	3	4	5
Top management frequently communicate with team leaders and users					
Managers constructively use their subordinates' idea					
Top management consider BPR as a way to improve service and product					
Top management enables to influence, motivate and lead to contribute toward the success of the organization.					
Manager provide guidance and act as a role model to employees					
IT infrastructure					
Question item	1	2	3	4	5
There is effective configuration of IT infrastructure					
There is a proper information systems (IS) integration					
The use of IT function increase competency	_				

## **BPR** implementation challenge

Question items	1	2	3	4	5
Failure to implement BPR caused by lack of commitment and support demonstrated by the organization highest level management					
Managers are anxious about losing their authority after the change					
Employees resistance to change due to job displacement:					
Not enough employee training to implement BPR					
Absence of management system (e.g. incentive, training, education communication about BPR progress					
Problems related to rigid hierarchical structures, jobs definition, and responsibility allocation					
Difficult to implement BPR due to teams communication barrier					
Spending too much time in analyzing existing processes					
Top management reluctant to commit funds for BPR					

Unrealistic report to outsiders that hide actual progress of BPR implementation			
In adequate regular and scheduled meeting of team leaders to get feedback on BPR implementation progresses			
Not use progress evaluation to determine what is working and what is not			

#### Interview

- 1. How do you see the essence of BPR understanding among the staff members?
- 2. How do you evaluate the change (out) come of BPR implementation in Dukem city administration?
- 3. How do you evaluate the current business process as compared to the previous?
- 4. What challenge have you faced so far in displaying roles expected of you?
- 5. Can you enumerate some main indicative achievements which are brought about by BPR program to Dukem city administration?
- 6. Would you say something on the level of commitment of leaders and employees in different stages of the hierarchy in Dukem city administration? How can this be gauged/ measured?
- 7. Have you been facing some challenges during the BP implementation period of a year and halftime? Would you mention some of these challenges please?
- 8. Do you believe that there is a customer satisfaction in your organization?