

**ST. MARY'S UNIVERSITY COLLEGE
FACULTY OF BUSINESS
DEPARTMENT OF MANAGEMENT**

**CHALLENGES AND PERSPECTIVE OF
BUSINESS PROCESS REENGINEERING IN
THE CASE OF COMMERCIAL BANK OF
ETHIOPIA
SENGATERA AND AYERTENA
BRANCHES**

**BY
SHIMELES DEBSSAY**

**JUNE, 2010
SMUC
ADDIS ABABA**

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ETHIOPIA SENGATARA AND AYERTENA BRANCHES**

**A SENIOR ESSAY SUBMITTED TO
THE DEPARTMENT OF
MANAGEMENT
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**IN PARTIAL FULFILLMENT OF THE
REQUIREMENTS FOR THE DEGREE OF BACHELOR
OF ARTS IN MANAGEMENT**

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SOME BRANCHES**

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Abbreviation

BPR-Business process Reengineering

CBE-Commercial Bank of Ethiopia

IT- Information Technology

HRM- Human Resource Management

TQM-Total Quality Management

CHAPTER ONE

1.1 Background of the Study

The commercial Bank of Ethiopia (CBE) has been one of the movers of Ethiopian economy for the past 65 years no strong bank existed in the country when CBE was officially launched 1942 E.C. The bank still studies to accomplish vision of being a world class bank currently CBE is a leading bank of Ethiopia with a paid up capital of over 4.5 billion Birr and 208 branches across the country. CBE has introduced modern services by installing computer network technology in activities major branches.

Commercial Bank of Ethiopia has already been engaged and provided different kinds services through in 34 city branch and 173 branches in outline branch from domestic services like local transfer current account, saving account ATM (Automatic teller machine) and credit to provide to the customer. In foreign service like forex bureau, International banking department render a wide range of foreign banking services at business processing engineering (BPR). When CBE was official launched BPR January 2007. During this period there was a challenge and difficult to implement the system has face many tackle and obstacle provided of services to the customer. The difficulty and recommended possible way out with an intention to satisfy customers of the bank and to build a positive attitude regarding of the employees to change paradigm shift in order to perform according to BPR concept and perspective to satisfy the customers the business environment nothing is constant or predictable not market growth, customer demand, product life span technology change no the nature of competition. As the result, customer, competitions and change have taken on entirely new dynamic business world customer now have choice and they expect service to be customized to their unique needs

competition no longer decided by “Best price” alone on driven by other factors such as quality, selection, services and response. In addition topic change has diminished product and service life cycle, making the need for inventiveness and adaptability ever great.

As the researcher conducted by Hammer and Champy in 1993 indicated that Reengineering in the fundamental rethinking and radical redesign of business process to achieve dramatic improvement in critical, contemporary measures of performance such as cost, quality service and speed.

As the Researcher conducted by Brand Burge and Binder in 1999 indicated that Business process reengineering is implement when a company deems the current system is no longer efficient or is failing to compute with other companies corporation see value in streaming jobs by investing in technology instead of employees. The advance of technology would free up tasks oriented jobs previously held by personnel. Changing the structure of the business from employees to business strategies can have a disadvantage effect if attempt without a system approach change.

The commercial bank of Ethiopian (CBE) business environment requires a switch from a task orientation to a process orientation aid it requires re – inventing how work is to be accomplished. As such reengineering focus on fundamental business process as apposed to departments or organizational unit.

1.2 Statement of the problem

Business Process Reengineering is the fundamental rethinking and radical redesign of business process to achieve dramatic improvement in critical of customer satisfaction, contemporary measures of performance such as cost minimization, quality service delivery and speed.

The following problems are currently observed in CBE.

One is the clarity of the concept to the management and the employees and the length time it takes them to be familiar with the concept. In implementation of BPR in CBE employees are reluctant in order to perform their task by taking high risk. There is also high burden of task that extent to be dissatisfied there job. Even so, the extent of taking risk and salary scale of the employees towards it implementation of BPR also unbalanced and the attitude of employees toward us implementation is a point of question.

1.3 Research Questions

In order to investigate the above problem, it will to answer the following research questions by respondent as the student researcher observed the problem.

- Are employees and managers aware the concept of BPR in the implementation process? And what mechanism are used by the center to create awareness, if any?
- How the employees and managers easily familiar with the BPR in short period of time?
- In what condition the bank provide the necessary supplies of inputs and things in the normal operational process?
- How CBE is balance the scale of salary and the employee's job description?

1.4 Objective of the study

The general objective of the study is to evaluate the challenges and perspective of business process reengineering in the eyes of employees and managers of branch satisfaction by the service.

- To investigate the clear concept of BPR is understood by management and employees.
- To check how employees and management are easily grasp in short period of time.

- To check how the bank is fulfill the input in order to implement BPR.
- To investigate the scale of salary provide by the bank is satisfy the employees.

1.5 Significance of the study

Adequate human resource information system is a power that determines the success or failure. The importance of this study was to identify the major problems of business process reengineering system managing in Commercial Bank of Ethiopia. This in turn enabled the concerned officials to take possible measures and solve problems proactively.

1.6 Scope of the study

The organization has many branches in the country but the study was delimited to the Sengatera and Ayer Tena branches also in both branches the study focus on front officer (teller) and checker because of it convenient to conduct the study and relevant information obtained from them.

On the other hand, the student researcher cannot include the whole branches due to financial and time constraints. The number of sample respondents is also is delimited to 100% which is include the whole front officer (teller) and checker with branch manager to be prepare a questionnaire and structure interview appropriate to collect data relevant for this study.

1.7 Research design and methodology

1.7.1 Research design

- The research design used in this study is a descriptive method of research to describe things such as the potential employees to render the service towards the attitudes of service users within the organization.

1.7.2 Population and sampling technique used

Population

- The student researches used sample is in Sengatera and Ayer Tena branches which is the front line employees (teller) and checker.

Sampling technique

Since the total population of the study in two branches very few in number, census technique is used.

1.7.3 Types of data used

The study used both primary and secondary data. The primary data obtained by distributing questionnaire to employees of the selected branches and the check list prepared to branches managers of the Bank. The secondary data was sourced from different sources like internal, books and other material available.

1.7.4 Methods of data Collection

Questionnaires distributed to Ayer Tena and Sengatera branches employees. The questionnaire was open-ended as well as closed ended. In addition, unstructured interview is conducted in this study to give a free response way to the branch managers. On top of these, secondary data related to the BPR project collected and analyzed.

1.7.5 Methods of data analysis

Analysis of data depends on the information gathered from different sources. Tables were used for the representations of data gathered and necessary interpretation was made under each table through descriptive method. Qualitative analysis was also made for interpretation of secondary data based on this analysis and interpretation the research has made conclusion and recommendation.

1.7.6 Limitation of the Study

Due to lack of computer device by student researcher in order to access the typing and editing in this research, it was not possible to finalize on time. It was also difficult to get leave day from the job, since the student researcher worked in CBE as full time worker. In addition to these, BPR idea or concept new to our county, it was not able to get easily books or other support documents in the library and other organization. But these limitation wouldn't have significant effect on the result as the study covered representatives of all respondents group sufficiently and incorporate necessary data.

1.8 Organizational of the study

The study consist of four parts the first parts deal with background of the study statement of the problem, objective of the study, significant of the study, delimitation of the study, operational definition term, type of data to be collected and used method of data collective population of the study, sample of the study part determining of the sample size the second part review of related literature on the topic. The third includes result and discussion of the finding finally, the study are summarized conclude and recommended by the researcher.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 Definition of BPR

In the broadest sense of the concept, BPR is the fundamental rethinking and radical redesign of business process to achieve dramatic improvements in critical, contemporary measure of performance, such as cost, quality, service and speed". (Hammer and Champy, 1993:P32).

From this definition there are four important building blocks of BPR Fundamental, Radical, Processes and Dramatic.

- **Fundamental:** In doing BPR people must ask the most basic questions about their companies and how they operate.

These basic questions include:

Why do we do what do?

Why do we do it the way we do?

Reengineering begins with no assumptions and no gives. It takes nothing for granted. Ignores what is and concentrates on what should be.

Reengineering first determiner what an organization must do, then how to do it?

- **Radical:** Getting to the root of thing not maker superficial change with what already in place, but throwing a way the old. Reengineering is about reinvention not improvement, enhancement, or modification old job titles and old organizational arrangements, departments, divisions, and group and soon, ceases to mater it necessary. How the organization did things yesterday doesn't matter to the process reengineer? What matters is how we want to organize work to day, given the demands of our customers.
- **Dramatic:** reengineering is not about making marginal or incremental improvement but about achieving quantum leaps run expected or un believable changer in performance marginal improvement requires

fine-tuning, dramatic improvement demands blowing up the old and replacing it with something new.

➤ **Process:** A collection of activities that takes one or more kinds of input and creates an output that is of value to the customer. Most business people are not “process oriented.” They are focused on tasks, on jobs, on people, on structure but not on process. (Hammer and Champy, 1993,32:P36). From the prominent pioneers Davenport and Short defined the term as “the analysis and design of work flows and processes within and between organizations” (Davenport & Short 1990). Davenport prefers the term “business process innovation” “Reengineering is only part of what is necessary in the radical change of processes; it refers explicitly to the design of the new process. The term process innovation encompasses the envisioning of new work strategies, the actual process design activity, and the implementation of the change in all its complex technological, human, and organizational dimensions (Davenport, 1993,p2). According to Nickolsky BPR is what an organization undertakes to change its internal process and controls from a traditional vertical, functional hierarchy to a horizontal, cross functional, team based, flat structure which uses on the process of delegating customers (Nickolsky, 1996,P1). Reengineering often needs to include a large culture change program aimed at all over. The culture change will typically involve moving from top-down control to empowerment (allowing decisions to be taken at the point closest to the customer). BPR allows an organization to become far more flexible, responsive and able to seize opportunities for change with relish. (N. Nickolsky, 1996, p2). In addition to this, various practitioners and commentators have created their own terms, albeit all referring to process change large and small. For example,

- Core process redesign (Kaplan & Murdoch 1991)
- Business process innovation (Davenport 1992;2)
- Process reengineering (Hammer & Champy, 1993:32)
- Business process transformation (Burke & Peppard 1993)

All terms albeit their minor differences have one thing in common- challenging the status quo and registering dramatic improvements. They fundamentally concern themselves with radical change. They focus on outcomes rather than tasks, and the required outcome determines the scope of the organizational reengineering project. (Transport & communication ministry BPR study and Implementation manual, 2005).

2.1.1. Reengineering

Reengineering is the rapid and radical redesign of strategic, value-added business processes and the systems, policies, and organizational structures that support them to optimize the work flows and productivity in an organization. Reengineering is radical redesign of cross functional business processes. It starts redesign with a blank sheet of paper (Manganelli Kelein, 1994, P7). Reengineering is essentially about replacing an existing business system and with a new one. It's about business reinvention- about starting all over. (C. Derk Cuiry, 2006, P17). Reengineering should only be used when there exists a need for dramatic improvements in performance. With respect to critical, contemporary performance measures such as cost, quality, service, and speed, it is assumed that current processes are too far away from the processes that are required and the only option is to start all over. (Hamer & Champy, 1993, 20, P36). Hence, improving existing processes is not the solution.

2.2. Definition of BPR

According to Davenport defines BPR as "revolutionary approach that makes use of IT and human resource management to dramatically improve business performance (Davenport, 1992). Similarly according to Hammer and Stanton (1999), BPR is the fundamental rethinking and radical redesign of business processes to bring about dramatic improvements in performance. BPR allows the manager to see through

the surface structure of their organizations on focus on customer's satisfaction in a way that creator profit for share holders.

The most widely used definition BPR belongs to hammer (1990) who defines it as the fundamental rethinks and radical redesign of business process to achieve dramatic improvement in critical contemporary measures of performance such as costs, quality, service, and speed. Hence, BPR is innovation not improvement, enhancement, modification or automation.

1.3. What Reengineering is not?

There are many wide spread misconception about the nature of reengineering.

Reengineering is not:

Downsizing: It getting rid of people and jobs to improve short terms financial results.

- **Restructuring:** It means how an organization is structured.
- **Reengineering:** Centered on how work is done not how organization structured.
- **Automation:** it doesn't provide new mechanism for performing old ones. But technology plays an important role in reengineering; its role is to enable new process designs.
- **Out sourcing:** It is a cost reduction strategy but reengineering value to customer (Harmer & santon, 1999, P.10).

1.4. Candidates for Reengineering

Organizations which undertake reengineering can be classified in to three categories by their current condition.

1. Organizations that are in deep trouble.
2. Organizations that are not in trouble but can see the trouble coming.

3. Organizations that are in peak condition & see reengineering as an opportunity to increase the lead over their competitors. (Hammer & Chaupy, 1993, 32, P. 36).

2.5. Why Reengineering?

The driving forces behind reengineering were characterized as the three 3C's:

- 1. Customers :** Customer have become much more sophisticated and demanding, they have a much greater range of alternatives, are much more knowledgeable about their own needs, and are exerting ever greater pressure on their suppliers.
- 2. Competition:** which at one time it was local and relatively gentle, has become global and cutthroat. Whether in geopolitical realities, technology, or customer preference, the pace of change is dizzying what was unthinkable yesterday is routine today.
- 3. Change:** In a world of rapid flux, organizations must change their priorities from a traditional focus on planning; control and managed growth, to emphasize speed, innovation, flexibility, quality service, and cost. It's virtually impossible to retrofit organizations in to this new reality. Reengineering is the only solution (Hammer & santon, 1999, p.12)

2.6. Business Process Reengineering (BPR)

Vs

Total Quality Management (TQM)

Dimension	BPR	TQM
Origins	America	Japanese /American
Objectives	Improvements in cost, quality service, speed, organizational transformation around processes Institutional pressure /technical reasons	Improvement in quality
Reasons for implementation	Revolutionary /fast	Institutional pressure /technical reasons
Approach to change	Aggressive, autocratic	Continuous /slow
Style of leadership	Important at a later stage in the exercise	Visionary, transformational
Role of employees	Top down	Crucial from the beginning
Implementation	Rational/ objective	Top down and bottom up
Measurement	Violent/blunt platitudes	Rational / objective
Language	Crucial	Caring platitudes
IT	Processes	Secondary
Focus	20-30 per cent	Processes and function
Rate of success	Managerial fad revamped Taylorism	20-30 per cent
Criticisms	Work intensification and exploitation Mixed, difficult to predict outcomes	Managerial fad, revamped Taylorism Work intensification and exploitation Mixed, difficult to predict outcomes

(kelemen, 2003, p 119).

2.7. The Essence of BPR

Hammer & Champy noted that in the business environment nothing is constant or predictable not market growth, customer demand, product life spans, technological change, nor the nature of competition. As a result, customer, competition, and change have taken on entirely new dynamics in the business world. Customers now have choice, and they expect product to be customized to their unique needs. Competition, no longer decided by “best price” alone, is driven by other factors such as quality, selection, and responsiveness. In addition, rapid change has diminished product and service life cycles, making the need for inventiveness and adaptability even greater.

This mercurial business environment requires a switch from a task orientation to a process orientation, and requires re-inventing how work is to be accomplished. As such, reengineering focuses on fundamental business processes opposed to department or organizational units.

2.8. The Seven Principles of Reengineering

In Hammer & Champy's original manifesto to reengineering was by definition radical; it could not simply be an enhancement or modification of what went before. It examined work in terms of outcomes, not tasks or unit functions, and it expected dramatic, rather than marginal improvements. The seven principles of reengineering that would streamline work process, achieve savings, and improve product quality and time management. This includes;

1. Organize around outcomes, not tasks.
2. Identify all processes in an organization & prioritize them in order of redesign urgency.
3. Integrate information processing work into the real work that produces information.

4. Treat geographically dispersed resources as though they are centralized.
5. Link parallel activities in the workflow instead of just integrating their results.
6. Put the decision point where the work is performed and build control in the process.
7. Capture information once and at the source.

2.9. The Benefits of BPR

The hard task of re-examining mission and how it is being delivered on a day-to-day basis will have fundamental impacts on an organization, especially in terms of responsiveness and accountability to customers and stakeholders. Among the many rewards, reengineering:

- empowers employees
- Eliminates waste, unnecessary overhead, and obsolete or inefficient process.
- Produces often significant reductions in cost and cycle time.
- Enables revolutionary improvements in many business processes as measured by quality and customer service.
- Helps top organizations stay on top and low achievers to become effective competitors.

2.10. Reasons for BPR Failure

1. Try to fix a process instead of changing it.
2. Not focusing on business process.
3. Ignoring everything except process redesign (e.g. recognition, reward system, Labour relationships redefinition of responsibility and authority).
4. Neglecting people's values and beliefs (need to reward behaviour that exhibits new values and behaviour)

5. Be willing to settle for minor results.
6. Quitting too early.
7. Placing prior constraints on the definition of the problem and scope for re-engineering effort.
8. Allowing existing organizational cultures and management attitudes to prevent reengineering from getting started. (e.g. consensus, shorttermism, bias against conflict).
9. Trying to make reengineering happen from the bottom up.
10. Assigning someone who doesn't understand Reengineering to Load the effort.

2.11.Criticism Against BPR

- It never changed management thinking
- Lack of management support for the initiative & thus poor acceptance in the organization.
- Exaggerated expectation regarding the potential benefit from a BPR initiative & consultancy failure to achieve the expected results.
- Under estimation of the resistance of change with the organization.
- Implementation of generic so-called best practice processes that don't fit specific company needs
- Over trust in technology solutions.
- Performing BPR as a one – off project with limited strategy alignment and long- term perspective.
- Poor project management.

2.12.BPR Success Factors

- BPR is a team work: The team makes use of structured proven methods & tools.
- The focus is on process, not on functions.

- The restructuring affects whole organizational structure of the organization.
- BPR is based on well founded assumptions.
- The company is pursuing the methodology of continuous improvement.
- The basic approach is: think globally, act locally.
- Clear planning with defined goals, milestones & reference values.
- Availability of the necessary technical resource.

2.12.1. The Team Carrying out the Restructuring of Business

Produces will be Successful if:

- ❖ Support is available from the top management.
- ❖ Process owners are involved.
- ❖ The restructuring reflects the goals of the company.
- ❖ The team has appropriate knowledge and training.

2.12.2. The Requirements or Qualifications Placed on the Team Carryout the Restructuring.

- ❖ Through understanding of the business process
- ❖ Ability to think “out of the box” & identify the correct place of a process in to the over all structure of the company.
- ❖ Ability to dispense with existing procedures.
- ❖ Ability to consider positive alternative solutions.
- ❖ Competence.
- ❖ Team player.
- ❖ Time to support the process
- ❖ An application of the opportunity to participate as a compliant, not as a burden.

2.13. Goals of BPR

The restructuring of a business process is a complex task. A useful BPR exercise therefore requires goals and principles & must reflect the general situation. It is also necessary to make account of constantly changing environmental influences (technical, economic, geographical, and political) --- customer satisfaction is the key to company success.

Goals

- Fundamental rethinking of company process & reorganizations on cost baseness.
- Not: Replacement of traditional process by modern technology.
- Simplification in a word which is forever growing more complex.
- Development of new models for the organization of work.
- Change as a constant means of support in a dynamic world.
- Education about & acceptance of potential of new technologies.

2.13.1. The Typical Goals of BPR

- ❖ A reduction in process time
- ❖ Cost reduction
- ❖ Improved added value & productivity
- ❖ Higher qualifications for personnel
- ❖ Quality improvement
- ❖ Flexibility
- ❖ Reduced complexity

2.14. Clear Plans for BPR Implementation

- ❖ Development of strategy
- ❖ Development of business planning
- ❖ Estimation of a knowledge data bank.
- ❖ Definition of process scenario.
- ❖ Planning & preparation of new process sequence (process mapping)
- ❖ Implementation of new process sequences
- ❖ Checking & monitoring of process performance.

CHAPTER THREE

DATA ANALYSIS AND INTERPRETATION

3.1 Presentation and Discussion of Results

This chapter is concerned with the presentation and analysis of data on the basis of data gathered through questioner and interview. The student researcher has also observed various practices at high-level officials of the organization. Two groups of respondents have employees and Branch managers were subject to the study, on interview has conducted with Branch manages. The questionnaire distributed were 22, which is 100% of the respondents, was returned.

The total population of the organization's employees is 22, out of which census technique were selected to fill out the questionnaire that is 100%.

3.3 Response on challenges of BPR

No	Item	Frequency of responds	
		NO	Percentage
1.	Implementation of BPR improves customer satisfaction?		
	Agree	11	50%
	Strongly agree	9	41%
	I don't know	1	4.5%
	Disagree	1	4.5%
	Strongly disagree	-	-
	Total	22	100
2	Degree of understanding of BPR concept?		
	Agree	9	41%
	Disagree	7	32%
	I don't know	3	14%
	Strongly agree	2	9%
	Strongly disagree	1	4%
	Total	22	100%
3.	Supplies of input		
	Agree	9	41%
	Disagree	8	36%
	Strongly agree	3	14%
	I don't know	1	4.5%
	Strongly disagree	1	4.5%
	Total	22	100
4.	BPR will bring dramatic change?		
	Disagree	8	36%
	I don't know	5	22.5%
	Agree	2	9%
	Strongly disagree	1	4.5%
	Total	22	100
5.	Implementing of BPR goes in right way?		
	I don't know	10	45%
	Disagree	4	18%
	Strongly disagree	3	14%
	Agree	3	14%
	Strongly agree	2	9%
	Total	22	100
6.	BPR is good measures for		

	appraisal system?		
	Disagree	10	45%
	Agree	5	23%
	I don't know	3	14%
	Strongly agree	2	9%
	Strongly disagree	2	9%
	Total	22	100
7.	Employees benefit package provide by CBE?		
	Disagree	8	37%
	Strongly disagree	6	27%
	Agree	4	18%
	Strongly agree	2	9%
	I don't know	2	9%
	Total	22	100
8.	BPR reduce burden of job?		
	Disagree	8	32%
	Strongly disagree	6	31.5%
	Agree	4	18%
	Strongly agree	3	14%
	I don't know	1	4.5%
	Total	22	100
9.	Fair salary scale maintained by CBE?		
	Strongly disagree	9	41%
	Disagree	7	32%
	Strongly agree	2	9%
	Agree	2	9%
	I don't know	2	9%
	Total	22	100
10.	BPR is creating motivation for employee?		
	Disagree	12	55%
	Agree	5	22.5%
	Strongly agree	3	9%
	I don't know	2	9%
	Strongly disagree	1	4.5%
	Total	22	100
11.	Relationship between employees and managers?		
	Disagree	10	45.5%
	Agree	9	41%
	I don't know	2	9%
	Strongly agree	1	4.5%
	Strongly disagree	-	-
	Total	22	100

As shown on Table 2 item No 1, 41% of the respondents responded that they are strongly agree BPR will bring dramatically change. 50% of the employees responded that they also agree 4.5% of the employees responded that they are not agree and do not know it will bring a dramatically change. This shows that the majority of the respondents said BPR will bring a dramatic and radical change in the organization.

As far as concerning of table 2 item No 2 shows that in terms of the degree of understanding the concept of BPR is understood. 41% of the respondents replied that they also have understanding the clarity of the concept. 14% of the respondents said that they don't know the concept of BPR. 32% of the respondents stated that they don't have any idea or concept of BPR. This shows that the majority of the respondents have a good understanding of the clarity concept of BPR.

In table 2 item No 3, 14% of the respondents responded that they are strongly agree the Bank provide enough input to the operation. 41% of the respondents said the input is fulfilling by the organization. 4.5% of the respondents replied that they don't know it. 36% of the respondents responded that they do not agree to provide enough supplies input. 4.5% of the respondents said that they are highly disagree. On the above information the majority of the respondents said there is a shortage of supplies input in the organization.

From table 2 item No 4 shows that the implementation of BPR will bring un expected result in the future, 28% of the respondents replied that they are strongly agree BPR will bring unexpected result to the organization. 9% of the respondents said that they still agree the change will come in the future. 23% of felt that they are neutral to responses. 36% of the respondents replied they are not accepted to become a good result and the rest of the respondents said they are pessimistic to get great result in the implementation of BPR. The majority of the respondents believe they don't agree the outcome of BPR bring a good result in CBE.

As it can see from the table 2 item N_o 5, 9% of the respondents stated that the implementation process of BPR goes in the right way. 14% of the respondents said that they have positive circumstances. 45% of the respondents replied that they don't know whether in the right way or not. 18% of the respondents responded that they don't accept the implementation process of BPR in the right way. So from the data it can be observe that majority of the respondents said they don't know whether in the right way or not.

As indicated in table 2 item N_o 6, 9% of the respondents responded that BPR is a very good measurement for the purpose of appraisal system. 23% of the respondents said BPR will support appraisal system to measure employee's performance. 14% of the respondents stated that they don't know a good measurement of performance appraisal. 45% of the respondents replied that they don't agree BPR is not a tool of measurement of appraisal. 9% of the employees said they strongly disagree it is not a good measurement of appraisal system.

From the above data it shows that majority of the respondents agree that BPR is not a good measurement of performance appraisal system.

In terms of employees benefit package provide by CBE on table 2 item N_o 7, 9% of the respondents said that they are highly agree the Bank provide enough benefit package to the employees. 18% of the respondents responded they have positive way of understanding in the benefit package. 9% of the respondents replied that they don't know it. 37% of the respondents said that they don't agree the bank provide adequate benefit package and 27% of term responded that there is no benefit provide by CBE. Therefore, the majority of the respondents said that the Bank should maintain alterative benefit package to the employees.

According to table 2 item N_o 8 the employee's perception towards the burden of job shows that 32% of the respondents responded that there is high burden of job. 31.5% of the employees replied that they also agree the burden of job is observed. 18% of the respondents said that they don't accept BPR is not reducing the burden of job. 4% of the employees agree that BPR is reducing burden of job. The majority of the

respondents agree that there is high burden of job impose by the organization.

Regarding in the scale of salary shows in Table2 item No 9, 32% of the respondents responded that the scale of salary is not attractive to employees. 41% of the employees said that they are strongly disagree the Bank is not pay fair salary. Therefore, the majority of the respondents said the scale of salary should check and improve.

As shown in table 2 item No 10, 9% respondents said they have got motivation by the implementation process and 22.5% of them also said they are agreed. 9% of the respondents they don't know it. 55% of the respondents said that they strongly disagree BPR is not create motivation. Considering the above fact the majority of the respondents replied that CBE should maintain and create a motivation factory in the implementation of BPR.

Lastly, in table 2 item No 11, the majority of the employees or 45.5% believe that there is no good relationship with managers in different reason. 41% of respondents said there is good atmosphere with manager. 9% of the employees said that they don't have any idea and finally 4.5% of the respondents responded that there is a friendship relation with managers. So the business process re-engineering concept stated that managers and employees relationship is a vital and crates a coaching atmosphere.

3.4 Employees Awareness in BPR Benefits and Service Packaging

Item	Frequency of respondents	
	No	percentage
Why CBE implement BPR?		
For satisfaction of customers?	17	77%
Enhancing motivation of the employment?	-	-
Downsizing the employees?	1	4.5%
Reducing working process?	4	18.5%
Total	22	100%

The obtained data in table 3 indicates that, 77% of the respondents said that they were selected the benefit or satisfaction of customers. This shows that the implementation of BPR in CBE on the basis of rendering service prior to give and focus only customer satisfaction rather it ignore and less attention to the employees as well as branch managers. 4.5% of the respondents responded that it is for the purpose of downsizing or reducing the employees. As them matter of fact, BPR is not the purpose of downsizing rather it is the benefit of customer, employees and stake holder of the organization at large.

Finally, 18.5% of them responded for the purpose of reducing working process and breaking the long chain of the system. From this information one can notice that majority of them responded for the purpose of customer satisfaction.

3.5 Response of an Interview made with managers of Branches

When the research asked (interviewed), do you think BPR information that given by CBE? For this questions the respondent said, yes it is through workshop and training. But the way that the BPR concept transmitted is not sufficient and it is not attractive also the idea or concept of BPR should be supported by policy and curriculum.

The researcher asked (interviewed) regarding the salary scale the branch manager answered that the risk and burden of the job is very high but the salary of the manager is not balanced. This problem may arise because of the living standard of the society is increasing from time to time. In fact the scale of the senior official has most of the some increment but manager are not satisfied.

When the researcher asked (interviewed) did CBE offer an input to facilitate the normal operation? They responded that, in the order to facilitate input is not fulfilling yet. Most of the technical part of input are old and easily get technique problem. In fact in some branch they don't

get this problem following this. CBE should balance and solve the input that are not adequate the capacity of the technical administration.

The researcher also asked regarding the burden of job is very high by the manager. They responds that majority of the respondents are working in the front office (teller) and single window contact with customer. The flow and volume of work on the basis of daily task is very high in relation of most liquid asset (cash) to be expecting performing by the organization so that CBE should build and minimizing of burden of job.

Finally the researcher asked CBE can be achieve the desire goal by implementing BPR majority of the respondent said the CBE recruit well educated and well professional employees select by improving the scale of salary and provided a capacity of technical resource facilitations can be maintain the outcome of the result will be successfully.

Generally with the regarding to the above question the managers replied that CBE has shown an increasing trend to satisfy customer from time to time. However, the impose of risk also unattractive salary scale. Therefore CBE should maintain good governance of human resource capacity, build a technical resource and appropriated salary scale to the employee and managers.

CHAPTER FOUR

Summary, conclusion and Recommendation

This chapter summarizes the main finding of the study and forward recommendation based on the conclusions.

4.1 Summary of the finding

1. Regarding the age distribution, majority of the age group or CBE built the staff in young and middle age, concerning sex ration female and male are equal. Their educational background level, majority of employees is composed of diploma and degree and above holder.
2. On the basis of implement BPR benefit and service packaging in CBE, the majority of respondents stated that implementation of BPR is for the purpose of satisfaction of customer but not employees.
3. Concerning BPR is a dramatically and radically change will bring said by respondents, majority of the employees are agree it will bring the expected change in overall the organizing image at large.
4. More than half of the respondents said that BPR idea and concept is understood by employees.
5. Most of the respondents that adequate supplies of input in offered by CBE in order to operate the job.
6. Majority of the respondents stated that unexpected result will bring in the appropriately implement the BPR in CBE.
7. Concerning in the path of implementation the right way BPR, majority of them, they don't know whether in the right way or not.
8. On the basis of negotiation of employees acquiring knowledge related issue that almost all of them the respondents has knowledge of BPR from different sources.
9. Regarding the tool system of BPR in the appraisal aspect it shows that majority of the respondents said they don't believe a good measurement of appraisal system in the existing system.

- 10 Concerning the benefits and services package, most of the employees are un satisfied and pessimistic in the benefit package.
- 11 Concerning the pay, most of the employs are unsatisfied salary scale of CBE which leads dissatisfaction with what they get.
- 12 . In terms of employees motivation towards in implementation process of BPR, majority of the respondents replied that the motivation of employees reduce time to time.
- 13 Most of the respondents said the burden of job in CBE is very high.

4.2 CONCLUSION

On the basis of the finding stated above, the following conclusion can be drawn.

- The finding shows that majority of CBE employees have above 5 years work experience in the process of selection of position by human resource department it is not transparent.
- Regarding to the findings, CBE implement BPR for the customer satisfaction and they wish for totality change, However, these totality change also include the employees as well, the practical observed by student researcher shows the organization only implement BPR on the attention of the process is not given consider for its employees. One of the negative part of BPR neglecting the people only focusing on the system or the job, the positive impact of implementing BPR is influenced some degree due to this fact.
- To get excellent result by implementing BPR theoretical principle most be followed and fulfill all the necessary thing but the finding show that CBE did not follow the theoretic principle and fulfill all the necessary thing.
- The research shows that because of cost of training, CBE did not give adequate information and concept of BPR to the employees, focus on the middle level manages took training timely thus the understanding levels about BPR and familiarity to a short period of time fluctuated from individual to individual.
- The attitude of the employees is negative towards the implementation of BPR because they have high fear of risk and losses their job.
- The study confirms that the implementation of BPR in CBE has positive implication in customer satisfaction, avoided unnecessary work process and minimizing the process time. The process is radically and dramatic will change. However, still some improvements are necessary.

4.3 RECOMMENDATION

Based on the finding of the study and condition the student researcher has forward the following recommendation and possible solution for the problem identified.

- To get positive result in the implementation of BPR, educated manpower has big contribution. Thus total positions of the educated man power in CBE should create convenient environments by human resource department.
- In order to get good result in the implementation of BPR, the bank follow at this stage focus customer satisfaction and ignore the interest of employees and managers. So the organization should be improve and follow the BPR theory accordingly and give emphasis the system like customer, employees, process and manger equally then it will achieve unexpected out come.
- Following the theoretical principle of implementing BPR and fulfilling all the necessary supplies of input and things have contribution to get excellent result. Thus the organization has to maintain to follow the theoretical principle and full fill all the necessary things like adequate operational supplies of inputs or furniture.
- To clear the understanding level of BPR between the employees and manager give appropriate training to all the employees, especially the operational employees need to get training with the management group.
- Employs and mangers are not satisfied by salary scale observed by student research. Therefore, OBE should revise and improve fair salary scale and benefit package to the employees and managers as well.

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APPENDIX

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St. Mary's University College faculty of Business
Department of Management
Interview Questions to be responded by branch managers

1. Do you think BPR information that given by CBE?

2. Is that CBE maintained fair salary scale to the employees and managers?
3. Did CBE offer Adequate supplies of input to facilitate the normal operation?
4. Is there a burden of job after the implementation of BPR in our branch?
5. Do you think that CBE can be achieving successfully the desire goal by implementing BPR?

Declaration

I, the undersigned, declare that this senior essay is my original work, prepared under the guidance of my advisor Ato Aschalew Tamiru. All

sources of materials used for the manuscript have been duly acknowledged.

Name: _____

Signature: _____

Place of submission: _____

Date of submission: _____