



**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES**

**ASSESSMENT OF BUSINESS PROCESS
REENGINEERING STUDY AND ITS IMPLEMENTATION
AT NATIONAL BANK OF ETHIOPIA**

**BY
ZELEKA HAILE**

**DECEMBER, 2013
ADDIS ABABA, ETHIOPIA**

**ASSESSMENT OF BUSINESS PROCESS
REENGINEERING STUDY AND ITS IMPLEMENTATION
AT NATIONAL BANK OF ETHIOPIA**

**BY
ZELEKA HAILE**

**A THESIS SUBMITTED TO ST.MARY'S UNIVERSITY
COLLEGE, SCHOOL OF GRADUATE STUDIES IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE
DEGREE OF MASTER OF BUSINESS ADMINISTRATION**

**DECEMBER, 2013
ADDIS ABABA, ETHIOPIA**

**ST. MARY'S UNIVERSITY COLLEGE
SCHOOL OF GRADUATE STUDIES
FACULTY OF BUSINESS**

**ASSESSMENT OF BUSINESS PROCESS
REENGINEERING STUDY AND ITS IMPLEMENTATION
AT NATIONAL BANK OF ETHIOPIA**

**BY
ZELEKA HAILE**

APPROVED BY BOARD OF EXAMINERS

Dean, Graduate Studies

Signature & Date

Advisor

Signature & Date

External Examiner

Signature & Date

Internal Examiner

Signature & Date

Table of Contents

Aknowledgments.....	iv
List of tables.....	v
Abstract.....	vi
CHAPTER ONE - INTRODUCTION	1
1.1 Background of the study	1
1.2 Statement of the problem.....	3
1.3 Basic Research Questions	4
1.4 Objectives of the study.....	4
1.5 Significance of the study.....	5
1.6 Scope of the study.....	5
1.7 Limitation of the study.....	5
1.8 Organization of the study.....	5
CHAPTER TWO - LITERATURE REVIEW	7
2.1 Definition of BPR	7
2.2 Why re-engineering?.....	9
2.3 Who needs re-engineering?.....	10
2.4 Common steps for re-engineering.....	10
2.4.1. Precondition for reengineering	10
2.4.2. Prepare for BPR study	12
2.4.3. Who will re-engineer?.....	13
2.4.4. BPR Team formation	15
2.4.5. Map and Analyze As-Is Process:	16
2.4.6. Design To-Be process:.....	16
2.5 Implement Reengineered Process:.....	18
2.6 The characteristics of a re-engineered organization	20
2.7 Organizational change management	21
2.8 The role of information technology	22
2.9 Key BPR Success & Failure Factors	23

2.10	Monitoring and evaluation.....	24
CHAPTER THREE- RESEARCH DESIGN and METHODOLOGY		25
3.1.	Methodology	25
3.2.	Sample size and sampling procedure.....	26
3.3.	Data sources	27
3.4.	Data analysis method	27
CHAPTER FOUR -PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA....		28
4.1.	Respondents profile	28
4.2.	Presentation and analysis of data.....	29
4.2.1	Precondition for reengineering or change/the 1 st issue/.....	30
4.2.2	Commitment for the change/re-engineering /2nd issue/.....	33
4.2.3	Assessment of BPR Team Formation / 3rd issue/	35
4.2.4	BPR approach/ 4 th issue/.....	36
4.2.5	BPR implementation/5th issue/	40
4.2.6	Change management /6th issue/	41
4.2.7	IT infrastructure /7th issue/	42
4.2.8	Monitoring and Evaluation /8th issue/.....	44
4.2.9	Organization’s performance improvement /10 th issue/.....	45
CHAPTER FIVE - FINDINGS, CONCLUSION AND RECOMMENDATION		49
5.1.	Summary of findings from the above analysis:	49
5.2.	Conclusions of the findings	50
5.3.	Recommendation.....	52
References.....		54
Appendices.....		x

ACKNOWLEDGMENTS

This MBA thesis has become a reality with a concerted effort and contribution of different individuals that deserve to be acknowledged. I am very much indebted to my advisor Tilaye Kassahun(PhD]. Much of this study is the outcome of his professional guidance, critical comments and encouragements that he demonstrated to me with consistent commitment and devotion all the way to its end.

My special thanks also go to the National Bank staff (Managers and Employees) who have showed me a welcoming face and were willing to devote their valuable time for filling my questionnaires. Without their kind cooperation, this study would have not been complete and got a successful ending. Furthermore, I would like to extend my special thanks to the staff of Change Management Directorate for their unreserved assistance during my study.

Finally, I would like to extend my appreciation to my Husband Dr. Getachew Dechassa for his patience and unreserved support as well as to my beloved three kids, Lydia Getachew, Ruth Getachew and Amen Getachew who are the spices of my life.

List of Tables

<u>Tables</u>	<u>Pages</u>
Table 4.1: Bibliographical profile of Respondents	32
Table 4.2: Assessment of Employees’ opinion about the need for change	35
Table 4.3: Employees’ opinion how they were communicated about the change.....	36
Table 4.4: Assessment of Employees’ opinion about shared vision	37
Table 4.5: opinion of BPR Team members about top management commitment	38
Table 4.6: Assessment of Employees’ opinion about BPR Team members	40
Table 4.7: Assessment of BPR Team members’ opinion about AS-IS step	42
Table 4.8: Assessment of BPR Team members’ opinion about TO-BE step	43
Table 4.9: Assessment of staff opinion about BPR implementation.....	45
Table 4.10: Assessment of staff opinion about change management.....	46
Table 4.11: Assessment of Employees’ opinion about IT infrastructure	47
Table 4.12: Assessment of Employees’ opinion about Monitoring and Evaluation.....	49
Table 4.13: Opinion of staff & customers about Bank’s performance improvement.....	50
Table 4.14: Employees’ ratings about Organization performance improvement.....	51
Table 4.15: Assessment of problem identification.....	51

Abstract

The main objective of this research paper is to assess the impact of the Business Process Reengineering study and its implementation on the achievement of organizational performance improvement in the case of National Bank of Ethiopia. In order to achieve the stated objective, a fairly rigorous methodology has been adopted. The study used both qualitative and quantitative analysis. In order to collect primary data, the questionnaire survey technique and interview were used. The questionnaire survey was distributed to 104 Employees of NBE and 50 customers of the Bank. In total 154 questionnaires were served and only 70 respondents from the NBE staff and 20 respondents from NBE's customers were collected. The result of this study reveals that there was inadequate communication about the need for change; the delay in investment of IT infrastructure (which was recommended by the BPR study) has taken ample time and this diminished the BPR momentum; majority of the respondents (Staff and Customers) witnessed that they did not observe substantial improvement in organizational performance due to BPR implementation. This study finally recommends that communication should be open, honest and clear to the staff of the organization. BPR or any change program will be effective when everyone communicated and understands the need for change and works together to bring the desired change.

CHAPTER ONE - INTRODUCTION

This chapter explains background of the research study, statement of the problem, basic research questions, general and specific objectives of the research study, significance of the research study, scope/ limitations of the study and the organization of the remainder of the thesis.

1.1 Background of the study

Ethiopia is a country striving for building good governance, democracy and economic development and improves the citizens' standard of living. The Government of Ethiopia has identified that good economic and sector policies could not be long lasting without transforming the civil service system. To transform the civil service system, the Government of Ethiopia designed various Civil Service Reform Programs policies, and strategies. In the year 2001, the Government of Ethiopia launched a comprehensive National Capacity Building Programme which was an extremely wide ranging and ambitious programme with the highest-level government commitment. With this capacity building reform program, most of the public sector institutions have gone through a series of National Reform Programs to enhance their capacity and to bring a rapid change.

In line with these National Reform Programs, National Bank of Ethiopia as a Government Financial institution regulator has also conducted different Reform Programs with the objective to bring institutional transformation. BPR was one of the recent reform programs.

BPR is known by many names, such as 'core process redesign', 'new industrial engineering' or 'working smarter'. All of them imply the same concept which focuses on integrating both business process redesign and deploying IT to support the reengineering work. The term "Business Process Reengineering" is defined by several researchers e.g. BPR was championed by Michael Hammer and James Champy in the book 'Re-engineering the Corporation' in which they advocated that old systems be discarded and replaced with new, more innovative and effective processes.

BPR is a change process aimed at achieving quantum improvements in business performance. BPR represents the overhaul of organizational structures, management systems, employee responsibilities and empowerment, performance measurements, incentive systems, skills development, and the use of information technology. Mostly, BPR projects aimed at transforming inefficient work processes and as a result most of the successful BPR projects resulted in great reductions in cost or cycle time, and improvements in quality and customer services.

The main goal of BPR is to redesign and change the existing business practices or process and to achieve dramatic improvement in organizational performance. Accordingly, National Bank of Ethiopia has implemented business process reengineering in January, 2010, to achieve fundamental and radical changes and to transform the Bank to a credible and dynamic central bank.

This study, therefore, will try to assess the impact of the Business Process Reengineering study and its implementation on the achievement of organizational performance improvement.

History of change in the NBE

The first organizational change program was conducted by an international consultant company called KPMG. The company had studied the overall structure of the bank and proposed new structure for the bank by combining two /three departments together and by creating new departments. In addition, the company has also studied a detailed salary scale, Job grades and job specifications based on the international best practices of Central Banks. This structural change was applied during the year 2003/4 and they are still applicable in some work units of the bank.

The next change initiative was conducted by its staff /experts/ during the year 2004/5 and NBE was one of the champions to start the first round BPR study. At that time, the main focus of this BPR study was to reduce process time, cut-off the redundant activities and to increase efficiencies. In line with these change initiatives, QUICKWIN I, QUICKWIN II and the so-called result based plan performance management system(PPMS) were introduced and have brought some considerable changes to the Bank.

The recent reform program, BPR, was a new approach aimed to transform the Bank to dynamic, modern and credible Bank. The BPR study project started from the articulation of the vision of the Bank. Based on the institution's vision and mission statement and the mandate of the Bank, the BPR study identified and redesigned five core processes, and other nine support processes. These processes/work units re-grouped into three clusters and are led by the Governor and by the three Vice Governors. These are the Monetary Stability cluster, the Financial Stability cluster and the Corporate Services cluster.

1.2 Statement of the problem

In the recent years, the world is increasingly driven by the three Cs Customer, Competition and Change and companies have been on the lookout for new solutions for their business problems. Some of the more successful business corporations in the world seem to have hit upon an incredible solution - Business Process Reengineering (BPR). Some of the recent headlines in the popular press read, "Wal-Mart reduces restocking time from six weeks to thirty-six hours.", "Hewlett Packard's assembly time for server computers touches new low - four minutes.", "Taco Bell's sales soar from \$500 million to \$3 billion." etc. The reason behind these success stories was **Business Process Reengineering!** (Wikipedia)

During the last decade, the Government of Ethiopia designed various Civil Service Reform Programs (CSRP), policies, and strategies to bring radical changes and support the development efforts in the country. Accordingly, most of the public sector institutions have gone through a series of National Reform Programs to enhance their capacity and to bring a rapid change. **BPR** was one of the recent reforms.

In line with this National Reform Program, National Bank of Ethiopia as a Government Financial institution regulator has undertaken Business Process Reengineering (BPR) study in the year 2007 and implemented the study project in January, 2010 with the objective of achieving fundamental and radical changes

NBE also introduced different change management programs to fuel up the BPR implementation and to achieve a dramatic change on the overall organization performance.

This research study, therefore, seeks to assess the impact of the **Business Process Reengineering** study and its implementation on the achievement of the desired organizational performance improvement.

1.3 Basic Research Questions

Based on the statement of the problem, the basic research questions for this study reads as follows *“Is there a significant organizational performance improvement due to BPR implementation?”* and the specific research questions that the study tries to answer are the following:

- Was there a need for a re-engineering/change?
- How was the re-engineering project managed?
- Has the BPR project team analyzed the target process and developed feasible solutions?
- To what extent did the Bank develop a comprehensive implementation plan?
- Did BPR implementation bring improved performance?

1.4 Objectives of the study

This study has a general objective to assess the BPR study and its implementation with due emphasis on the achievement of organizational performance improvement.

With the above general objective, the study also has the following specific objectives:

- To evaluate the need for change/reengineering;
- To assess the BPR Project management;
- To investigate feasibility of the newly recommended ideas by the BPR study team members;
- To analyze the major BPR implementation problems and;
- To review employees’ perception towards the change after BPR implementation and;

- To explore the Bank's performance improvement due to the BPR implementation

1.5 Significance of the study

It is intended that the findings of this research will help the management of the National Bank of Ethiopia to evaluate the past performance and to highlight the problem areas. It will be also helpful for Government/ public organizations dealing with the implementation of Business Process Re-engineering to share the practical experiences of the National Bank of Ethiopia. In addition, it can be useful for users that are interested to have an insight about the outcomes of Business Process Re-engineering implementation.

1.6 Scope of the study

This study is concerned with assessment of performance improvement due to the BPR implementation. Although it tries to see the changes brought by the BPR study, its scope is limited to the assessment of the change in the service deliver performance. Problems associated with BPR implementation and other problems will not be independently analyzed within the scope of this study. However, their negative or positive contribution to the overall organizational performance can be cited.

1.7 Limitation of the study

BPR implementation and assessing its effect on organizational performance improvement is an important issue and this study has to be done to all Government Institutions. However, due to time and other constraints it will not be possible to cover other Government Institutions. To make the study manageable, it is restricted to assess the organizational performance improvement of the National Bank of Ethiopia due to the implementation of BPR.

1.8 Organization of the study

The research paper is organized in to five chapters. Chapter one presents the background of the study, statement of the problem, research questions, objectives of the study, significance of the study and scope and limitation of the study. Chapter two provides the literature review. Chapter three explains about the research study design which includes the methodology, sample size and sampling procedure, data sources

and data collection method and data analysis method. Chapter four discusses analysis and findings of the study and chapter five will present the conclusion & recommendations on the basis of the research findings.

CHAPTER TWO - LITERATURE REVIEW

2.1 Definition of BPR

BPR has been defined by different scholars. Among the different definitions, the one given by Michael Hammer is widely accepted and worth considering. The book *Re-engineering the Corporation: A Manifesto for Business Revolution* which was written by Hammer and Champy is widely referenced by most BPR researchers and is regarded as one of the starting points of BPR. In this book BPR is defined as follows:

"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." (Champy, 1993)p-32).

The authors emphasized four key words used in this definition. The first key word is "fundamental." They suggested that prior to reengineering one should understand the fundamental operation of the business and the reengineering must be started by asking fundamental questions about business rules and underlying assumptions. They recommended for businessmen to ask the most basic questions about their company how they operate the business. They stated that questions like "why do we do what we do?" and "why do we do in the way we do?" have to be asked in order to enforce people to look at the tacit rules and assumptions. They have said that most of the time those rules and assumptions turned out to obsolete, erroneous, or inappropriate.

The second key word is "radical" the authors suggested to disregard all existing structures and procedures and inventing complete new ways of accomplishing tasks. They emphasized that Reengineering is not about business improvement, business enhancement or business modification of what already exists. Rather it is about throwing it away and starting over, beginning with clean slate and re-inventing how you do your work.

The third key word is "dramatic." reengineering is not about making marginal or incremental improvements. It is about achieving "quantum leaps" in business performance.

The last key word is "processes." The writers defined a business process as: "a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer" (Stanton)p-35.

Business process re-engineering is also defined in the free web 'Wikipedia' as "A business management strategy, originally pioneered in the early 1990s, focusing on the analysis and design of workflows and processes within an organization. It also described its origin as a private sector technique to help organizations fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational costs, and become world-class competitors. Further, re-engineering has been presented as the key stimulus of the continuing development and deployment of sophisticated information systems and networks-".

Another BPR father, (Davenport, 1990) also defined BPR as '*business process redesign*' as the analysis and design of workflows and processes within and between organizations.

A key characteristic of BPR is the focus on business processes. All the above definitions indicated that BPR concept concentrated on business processes rather than work unit functions of an organization.

In general, BPR is defined as a radical change, rather than an incremental change and it was is not intended to preserve the status quo, but to fundamentally and radically change what was done and it was dynamic. The famous writers of BPR Hammer and Champy considered re-engineering as start over with a clean sheet of paper and to rebuild the business better. They described re-engineering as a critical solution that fit for the new world of business that reverses the industrial revolution and rejects the inherent in Adam smith's industrial paradigm-the division of labor, economies of scale, hierarchical control etc.

2.2 Why re-engineering?

There are many reasons to re-engineer an organization. The reason may be defensive- a reaction to financial or competitive pressure or customers concern. It may be anticipatory-for instance a new technology may put the company at a sudden disadvantage. Or it may be proactive to help the company to gain a competitive advantage.

The goal of business process re-engineering is to redesign and change the existing business practices or process to achieve dramatic improvement in organizational performance. Mostly, BPR projects aimed at transforming inefficient work processes.

The driving forces behind reengineering were characterized as the three *Cs*: customer, competition and change (Champy, 1993)(p12). These three ‘*Cs*’ have created a new world for business. The old way of doing business, the principles and techniques that succeeded the business yesterday are no longer fit to today’s business world. The Adam Smith principles of organizing job around task-orientation –division of labor and specialization, with its lots of reforms has been made do not address the need of today’s challenging world of business. That orientation of managing business (organizing work around Adam Smith division of labor-task oriented Job) in today’s world of Customers, Competition and Change are obsolete.

The writers explained the situation of the US and other developed countries in the year 1980s as “the dominant force in the seller – customer relationship shifted and customers have got the upper hand and tell suppliers what they want, when they want it, how they want it and what they will pay and thus consumers wield a great deal of power.” Other factors were also mentioned for shifting the market power from producer to consumer. Especially in the service sector, technology was mentioned as a major factor i.e. Technology made database accessible and allowed service providers to track basic information about their customers, their preferences and requirements that laid down a new foundation for competitiveness.

2.3 Who needs re-engineering?

(Champy, 1993)(65-81) the writers identified three kinds of companies that undertake reengineering.

- Are companies found themselves in deep trouble? They have no choice; if company's customer service became so weak that customers openly complained against it, or if its product failure rate became twice, three times, or five times as great as the competition's, or if it needs order-of-magnitude improvement that company clearly needs business reengineering.
- Are companies that are not yet in trouble but whose management has the foresight to see trouble coming? For the time being, company's financial results may appear satisfactory, but threatening in the distance are new competitors, changing customer requirements or characteristics, an altered regulatory or economic environment that threaten to sweep away the foundations of the company's success these companies have the vision to begin reengineering in advance of running into adversity.
- Company undertaking reengineering are those that are in peak condition. They have no visible difficulties, either now or on the horizon, but their managements are ambitious and aggressive.

2.4 Common steps for re-engineering

As per the study of successful BPR implementation strategy, activities that are to be performed in the first phase of organization change should be assessment of the preconditions for the re-engineering; preparing for BPR study that includes assessing the current state of the organization, explain the need for change, illustrate the desired state and create a communication campaign; formation of the BPR study project teams and select the team members; map and analyze AS-IS process; design TO-BE process and implement the reengineered process

2.4.1. Precondition for reengineering

It has been said that most change is pain driven (Linden, 1993)(p124). Because re-engineering is threatening, disruptive and potentially costly at first, it is important for

the organizations to be experiencing a real pain. It has been indicated there pain must be real, and it must be perceived by the employees. Without such pain or tension between the current and desired state the staff won't feel the need for radical change and probably won't support it. The leader's job is to make the pain, or threat of it clear.

The purpose of recognizing the pre-conditions is to determine whether dramatic change by doing BPR is really necessary. It may be that only marginal change or other similar programs is needed which would expose the change initiative and the organization to much less risk.

The writer described the precondition for major changes as "there must be real pain, either current or anticipated". He pointed out that very few organizations manage major change unless its leader and employees feel dissatisfied with the status quo. He also mentioned that the senior Leadership active involvement is crucial; the leader has to articulate the pain in a way that doesn't blame the staff and also there should be a strategy for the change that describes how the change is going to be accomplished. This condition also expressed as "the threat or pain must be real, and it must be perceived by the employees". (Davenport, 1990).

Many literatures indicated that BPR must have the full support of top management to succeed. (Linden, 1993) (p128) "Every innovation requires top level support but BPR is indifferent in that it requires more than support from the top i.e. it requires active continuous involvement at the top." The importance of Leadership was also expressed by Hammer (Stanton) (p34) as it is unalterable axiom of reengineering that only succeeds when driven from the top most levels of an organization.

Effective communication was also described as one of the major factors in all the writers. Communication to all levels of personnel must remain active from start to finish keeping everyone involved and working towards a common goal. Without a common understanding about what is happening, confusion and uncertainty about the future can result in resistance strong enough to stop any reengineering effort.

A well articulated vision could serve as a magnet. [Stanton 132], expressed vision by exemplifying Moses's history in the bible. What did Moses do with his vision? "The most important thing was what he didn't do-he didn't confine it to a confidential strategy document. He worked hard to run his vision into the people's vision, and when that happened, the people arose and followed".

In general, Top Management, that undergoing reorganization must work to put down the fears of employees and resistance to change and communicate to all levels of personnel. BPR will be most effective when everyone understands the need for change, and works together to tear down old business systems and to build new ones.

2.4.2. Prepare for BPR study

BPR projects involve cross-functional cooperation and needs significant changes to the status quo. Planning for organizational changes is difficult to conduct without strategic direction from the top management since the importance of BPR begins with the development of executive consensus. The important factor to be considered while establishing the strategic goals for the reengineering effort is to make it first priority to understand the expectations of the customers. Having identified the customer driven objectives, the mission or vision statement is formulated. The vision is what a company believes it wants to achieve when it is done, and a well-defined vision will sustain a company's resolve through the stress of the reengineering process. (Champy, 1993)"Vision can act as the flag around which to rally the troops when the morale begins to sag and it provides the yard stick for measuring the company's progress".

(Linden, 1993) The study of successful BPR implementation strategies that should be performed in the first phase of organization change are:

- *Assess the current state of the organization*
- *Explain the need for change*
- *Illustrate the desired state*
- *Create a communications campaign for change*

Communication to all levels of personnel must remain active from start to finish keeping everyone involved and working towards a common goal. Without a common

understanding about what is happening, confusion and uncertainty about the future can result in resistance strong enough to stop any reengineering effort.

The business needs analysis helps in relating the BPR project goals back to key business objectives and the overall strategic direction for the organization. This linkage should show the thread from the top to the bottom of the organization, so each person can easily connect the overall business direction with the reengineering effort.

Hammer and Champy (1993) described this situation as “BPR teams jump directly into the technology without first assessing the current processes of the organization and determining what exactly needs reengineering.” In this analysis phase, a series of sessions should be held with process owners and stakeholders, regarding the need and strategy for BPR. These sessions build a consensus as to the vision of the ideal business process. They help identify essential goals for BPR within each department and then collectively define objectives for how the project will impact each work group or department on individual basis and the business organization as a whole. The idea of these sessions is to conceptualize the ideal business process for the organization and build a business process model.

2.4.3. Who will re-engineer?

Who are the people that will be chartered to reengineer the business? What will their responsibilities be? Who will they report to? All these have to be properly addressed and planned. Although this phase consists of only a few tasks, it has a tremendous impact on the success of a BPR endeavor.

Hammer and Champy (1993) (p102) indicated that “How companies select and organize the people who actually do the reengineering is key to the success of the endeavor.”

The writers explained the role of the **reengineering leader** as the one who makes reengineering happen. One of the most important members of the reengineering effort is the executive leader. The leader must be a high-level executive who has the authority to make people listen, and the motivational power to make people follow.

Leadership is an absolute requirement, key and critical ingredient for reengineering to happen. Strong, committed, executive leadership is the primary ingredient for reengineering to happen. Without the commitment of substantial time and effort from executive-level management, most BPR projects cannot overcome the internal forces against them and will never reach implementation.

The primary role of the leader is to articulate the vision of the designed new state of the organization, communicate everyone in the organization and summon support around reengineering and generally expected to create conducive environment for re-engineering. In addition, the leader appoints the process owner and re-engineering teams.

Process owners are usually appointed by the executive leader [work book for seamless Government- Russell M. Linden-p13]. Similarly, Hammer & Champy (1993) (p102) stated that the process owner should be appointed by the leader. Process owner is the one who convenes a reengineering team to re-engineer process. A process owner is responsible for a specific process and the reengineering effort focused on it. There should be a process owner for each high-level process being reengineered. Allocating the responsibility of a process to a specific person ensures that someone is in charge of how that process performs. The process owner convenes a reengineering team to actually reengineer his or her process.

Re-engineering Team the reengineering team is defined as “the most enthusiastic about the BPR project that has a great feeling of ownership, and communicates about the project to others with real intensity and a sense of urgency (Stanton)(P21). The role of the design team is take the current process, analyze it, and comes up with a fundamental new design (Stanton)(p25).

Steering Committee is an optional aspect of reengineering governance structure. (Champy, 1993) (P: 102) A policy making body of senior managers who develop the organization’s overall re-engineering strategy and monitor its progress. The Steering Committee is a collection of senior managers usually includes process owners (Champy, 1993). Some swear by it and others live without it.

The **Reengineering Czar** is considered as a leader's chief of staff. (Champy, 1993) (p: 102) an individual responsible for developing a re-engineering techniques and tools within the company and for achieving synergy across the company' separate re-engineering projects. The Czar has two main functions – one enabling and supporting each individual process owner and reengineering team, and, two coordinating all ongoing reengineering activities.

2.4.4. BPR Team formation

The real reengineering work is done by the design team. [Linden seamless pp131] explained the design team's combination as "It needs to be small six to ten members maximum and should have two types of members, those who work within the current process and those who don't". The teams' task is to use the four re-engineering steps to create a new process. They map the existing process, start at the end by understanding the end user's needs and expectations, and beginning with the clean sheet and designing the new process as if no constraints existed and try to meet stretched objectives. To save time in working, the team needs some members who understand the current process, how it works and why it works that way. At least half of the team should come from outside the current process. They are in the best position to challenge assumptions and ask obvious questions "why does the process work this way?", "what value does this step add?", "what is the time delay at each step?" etc.

Re-engineering also requires a dedicated team of talented, imaginative people who are unafraid to break roles, who can work together in a multifunctional, multi-disciplinary manner and who put customer needs above organizational turf battles.[Stanton 96].

The most effective BPR teams include active representatives from the following work groups: top management, business area responsible for the process being addressed, technology groups, finance, and members of all ultimate process users' groups. 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. The BPR team should be mixed in depth and knowledge. The efforts of the team must be focused on identifying breakthrough opportunities and designing

new work steps or processes that will create quantum gains and competitive advantage (Champy, 1993).

2.4.5. Map and Analyze As-Is Process:

Before the reengineering team can proceed to redesign the process, they are required to understand the existing process. Understanding the existing process described as an essential and first step in re-engineering. However, analysis of those processes is also considered as a destructive waste of time. Some BPR proponents (in particular Hammer and Champy) argued against analyzing the current enterprise, saying that it inhibits the creative process. Others explained the benefit of starting from 'As-is' (Linden, Work book for SEAMLESS GOVERNMENT, 1993) (p138) expressed this situation as "A good map will show the basic steps involved and may locate certain bottle-necks".

In the mapping stage, the designing team could understand why the current steps are performed; how technology is currently used; how information is currently used and the current organizational structure.

Several methods are available in mapping the process. The most frequently used is flow-chart. Flow-chart is as simple as a series of boxes which can map key functions and show when and where each is involved.

This step (AS-Is) is initiated by first creation and documentation of Activity and process models making use of the various modeling methods available. Then, the amount of time that each activity takes and the cost that each activity requires in terms of resources is calculated through simulation and activity based costing.

2.4.6. Design To-Be process:

The next step after the team has developed overall view and insight of the current process is beginning the redesign of the business process. Redesign is the most nakedly creative part of the entire reengineering process (Champy, 1993) (p134). The writer emphasized that the redesign stage demands imagination, inductive thinking, and a touch of craziness and needs to be out of the box.

The essence of re-engineering is creativity. [Stanton 103] explained as “Creativity requires the ability to see what isn’t there yet, to perceive the invisible; to produce what never existed before”. The writer expressed that if someone approached with a proposal for a new process design that stroke you as interesting and plausible, he advised to through it away. The reason mentioned was that it fitted your pre-existing models of how the process should work-that was the modest variation on the existing theme and not radical innovation at all.

(Linden, Work book for SEAMLESS GOVERNMENT, 1993) (p 106) described the sub-steps in redesigning as “post stakeholder needs and stretch objectives on the wall to summarize progress; review design principles; review the assumptions on which process is based; brainstorm ideas for the new process and list common themes among the ideas; create flowcharts reflecting new processes and test the new designs; obtain feedback from the sponsor and key stakeholder; choose a design and refine the map of the new process; determine what policy and organizational changes the process will require and decide whether you are ready to move on to the next phase.”

(Linden, SEAMLESS GOVERNMENT: A practical Guide to Re-engineering in the public Sector, 1993) Explained the key re-engineering design principles as follows:

- Organize around outcome not functions- once the desired result is clear, you can organize around it. Employees who work on the same process should work together. If we organize around outcome it would be easy to control results.
- Substitute parallel for sequential processes – in the old system, to maintain quality control and fix accountability work must be performed one step at a time. In the new system, the consumer society won’t wait for sequentially produced programs and services. Newly changed employees, supported by appropriate technology can perform many things in parallel.
- Brings downstream information upstream-information can be accessed any time any place; it is most valuable to make it up-front.
- Capture information at the source- it is important to capture information just once at its source.

- Provide a single point of contact for customers and suppliers whenever possible. Organizations should be organized by process. Customers and suppliers should deal with one person representing the entire process for the convenience of customers.
- Ensure a continuous flow of the main sequence-the principle of organizing around the main sequence means focusing on those activities that directly add value to the end users. Speed and user –friendliness are key customer needs that can be met without scarifying quality.
- Don't pave cow paths – First reengineer and then automate. To make major even radical improvements in work process you can't begin with technology. The work must be first reengineered and then it can be automated.

The objective of this phase is described as “to produce one or more alternatives to the current situation, which satisfy the strategic goals of the enterprise.”

To design stretch objectives, the team has to make bench marking. “Benchmarking is the comparing of both the performance of the organization’s processes and the way those processes is conducted with those relevant peer organizations to obtain ideas for improvement (Champy, 1993).”

2.5 Implement Reengineered Process:

“Re-engineering is not a traditional implementation exercise that begins with a highly defined goal and a precise blue print for achieving it. Rather, it is a collection voyage of discovery which begins with only a rough outline of the destination and races toward it at break-neck speed” (Stanton)(p 98).

The implementation stage is described as the reengineering efforts that meet the most resistance and hence it is by far the most difficult one (Champy, 1993). It has been stated that if we expect that the environment would be conducive to the reengineering effort we are sadly mistaken. We have to expect to face all kinds of opposition - from blatantly hostile antagonists to passive adversaries: all of them determined to kill the effort. When so much time and effort is spent on analyzing the current processes, redesigning them and planning the migration, it would indeed be prudent to run a

culture change program simultaneously with all the planning and preparation. This would enable the organization to undergo a much more facile transition. But whatever may be the juncture in time that the culture change program may be initiated, it should be rooted in our minds that 'winning the hearts and minds of everyone involved in the BPR effort is most vital for the success of the effort.

There is no doubt that major changes to business processes have a direct impact on processes, technology, job roles, and workplace culture. Like any large and complex undertaking, implementing reengineering requires the talents and energies of a broad spectrum of experts. Since BPR can involve multiple areas within the organization, it is extremely important to get support from all affected departments. Through the involvement of selected department members, the organization can gain valuable input before a process is implemented; a step which promotes both the cooperation and the vital acceptance of the reengineered process by all segments of the organization.

Reengineering efforts can by no means be exercised without a company-wide commitment to the goals to be achieved. However, top management sponsorship is imperative for success. Commitment and leadership in the upper echelons of management are often cited as the most important factors of a successful BPR project. (M.Linden). Convincing every affected group within the organization of the need for BPR is a key step in successfully implementing a process. By informing all affected groups at every stage, and emphasizing the positive end results of the reengineering process, it is possible to minimize resistance to change and increase the odds for success. 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 processes.

The implementation stage has to be planned strategically. (Stanton)(p 28) Before implementing a process in the real world, create a laboratory version in order to test whether the idea is working or not.

2.6 The characteristics of a re-engineered organization

The book, Hammer and Champy(1993) [p65-81], summarized the characteristics of re-engineered companies as follows:

- Business processes of a re-engineered company are simplified rather than being made more complex. Companies that needs re-engineering always end up dismantling departments and instead put together process teams that handle work logically rather than within the artificial department constraints. The work to be done dictates the optimum size and structure of the process team not any artificial constraints, preferences of the managers or external factors.
- Job descriptions expand and become multi-dimensional and employees perform a broader range of tasks. Before reengineering, a worker may perform one task repetitively all day every day, without ever giving thought to the big picture perspective of what is being created. After reengineering, the workers become part of a process team which will have full responsibility for the entire process. Thus, work becomes multi-dimensional, more rewarding and more closely linked with the end result.
- People within the organization become empowered as opposed to being controlled. Reengineered companies did not want people who follow the rules instead they value employees who can set their own rules to achieve results. Therefore, reengineered companies look for employees that are self-starters, self-disciplined and who are motivated to achieve. Professionals become the key focus points for the organization, not the managers.
- The organizational structure is transformed from a hierarchy to a flatter arrangement. Decisions are made on a consensus basis rather than by a manager. That has the indirect effect of reducing a manager's role and their need to be part of the whole team.
- Checks and Controls become reduced.
- The basis for measurement of performance and compensation moves away from activity towards results.
- The organization becomes aligned with the end-to-end process rather than being focused on departments.
- The role and purpose of the manager changes from supervisor to coach.

- Values changed from protective to productive- reengineering demands company employees' to believe that they work for their customers not for their bosses.

2.7 Organizational change management

Organizational change management is a framework for managing the effect of new business processes, changes in organizational structure or cultural changes within an enterprise. Organizational change management addresses the people side of change management.

(Burnes)Change management writer suggested that BPR should involve changes in people behavior, culture, processes, and technology. As a result, there are many factors that prevent the effective implementation of BPR and hence restrict innovation and continuous improvement. Change management, which involves all human and social related changes and cultural adjustment techniques needed by management to facilitate the insertion of newly-designed processes and structures into working practice and to deal effectively with resistance, is considered by many researchers to be a crucial component of any BPR effort.

Change management is the discipline of managing change as a process, with due consideration that employees are people, not programmable machines (Covert, 1997). Change is implicitly driven by motivation which is fueled by the recognition of the need for change. An important step towards any successful reengineering effort is to convey an understanding of the necessity for change. It is a well-known fact that organizations do not change unless people change; the better change is managed, the less painful the transition is.

The simplest explanation of change management is to say, "It's all about the people!" The overarching purpose of change management is to accelerate the speed at which people move successfully through the change process so that anticipated benefits are achieved faster.

An effective organization change management program will also:

- Improve organizational outcomes and performance.
- Enhance employee satisfaction, morale, and engagement (when people learn new skills, meet performance expectations, and contribute to a greater good they feel pride in their accomplishments).
- Improve service quality (users feel valued and supported by an organization that makes an investment in them; this positively impacts how they treat customers).

The overarching purpose of change management is to accelerate the speed at which people move successfully through the change process so that anticipated benefits are achieved faster. (Claire Mc Cathy, 2010)

Working with people is the most challenging part of managing change. You need to consider how to support people through the changes they are facing, how to empower them, when to apply pressure and when not to. How do I manage people through times of change? (Claire Mc Cathy, 2010) Suggest that, when leaders are planning to manage change, the following key principles should be kept in mind:

- Different people react differently to change
- Everyone has fundamental needs that have to be met
- Change often involves a loss, and people go through the “loss curve”
- Expectations need to be managed realistically
- Fears have to be dealt with
- There are no easy solutions
- Adapt processes to suit the change intended
- Change requires teamwork and leadership (and the two are related)
- Work with the culture (even when you want to change it)
- **Communicate, communicate, communicate**

2.8 The role of information technology

(Champy, 1993)(p83) “IT plays a crucial role in Business Reengineering, but one that is easily miscast.” The fundamental error that most companies commit when they look at technology is to view it through the lens of their existing processes. Business

people who attempt to redesign business without adverting to sophisticated new technology are limited in what they achieve.

In order to achieve the major improvements BPR is seeking for, the change of structural organizational variables, and other ways of managing and performing work is often considered as being insufficient. For being able to reap the achievable benefits fully, the use of information technology (IT) is conceived as a major contributing factor. While IT traditionally has been used for supporting the existing business functions, i.e. it was used for increasing organizational efficiency, it now plays a role as enabler of new organizational forms, and patterns of collaboration within and between organizations.

In BPR, information technology is generally considered as enabler of new forms of organizing and collaborating, rather than supporting existing business functions.

Davenport & Short (1990) argue that BPR requires taking a broader view of both IT and business activity, and of the relationships between them. IT should be viewed as more than an automating or mechanizing force.

Hammer (1990) considers IT as the key enabler of BPR which he considers as "radical change." He prescribes the use of IT to challenge the assumptions inherent in the work processes that have existed since long before the advent of modern computer and communications technology.

2.9 Key BPR Success & Failure Factors

BPR does not only mean change, but rather dramatic change. What constitute this drastic change are the overhaul of organizational structures, management systems, employee responsibilities and performance measurements, incentive systems, skills development, and the use of IT.

Successful BPR can result in enormous reductions in cost or cycle time. It can also potentially create substantial improvements in quality, customer service, or other business objectives.

On the other hand, BPR projects can fail to meet the inherently high expectations of reengineering. The earlier promise of BPR has not been fulfilled as some organizations have put forth extensive BPR efforts only to achieve marginal, or even negligible, benefits. Other organizations have succeeded only in destroying the morale and momentum built up over their lifetime. These failures indicate that reengineering involves a great deal of risk.

Many unsuccessful BPR attempts may have been due to the confusion surrounding BPR, and how it should be performed. Organizations were not well aware to consider the Human aspect of BPR. Hammer and Champy recognized the importance of the human resource when they state "companies are not asset portfolios, but people working together to invent, sell and provide service." However, they fail to demonstrate how to reengineer the human resource in conjunction with reengineering processes.

2.10 Monitoring and evaluation

Performance monitoring and evaluation is useful and can tell an organization where it stands in its effort to achieve goals. (Kaplan, 2006)(p. 124) in discussing the balanced scorecard, suggest the benefits are in the translation of the "company's strategy and mission statement into specific goals and measures". (Reaf Lawson, 2007) (p6) A balanced scorecard is a framework for implementing strategy that translates an organization's mission and strategy into a set of performance measures.

Scorecard systems can be used for different purposes, two of which are operational control and strategy management. As an operational control tool, the focus is on KPIs for control and possibly measuring progress toward organizational targets or benchmarks. (Reaf Lawson, 2007)(p10)

Key performance indicators (KPIs) are the significant measurements used to track performance against business objectives. A KPI has a target or ranges, or both, to measure the improvement or deterioration in the performance of an activity critical to the business.

CHAPTER THREE

RESEARCH DESIGN and METHODOLOGY

3.1. Methodology

This particular section makes an effort to explain and justify the research methodology that is applied in this study. The methodology is chosen in order to acquire information and deduce conclusions about the current organization's performance improvement. The study consists of both qualitative and quantitative analysis.

The study uses both primary and secondary data sources. The data for secondary source is extracted from documents and literatures on the subject matter. The secondary data contributes towards the formation of background information needed by both the student researcher and the reader to comprehend more thoroughly the survey outcome.

In order to collect primary data, the questionnaire survey technique and interview is used. The questionnaire survey is distributed for selected Employees of NBE, BPR study team members and Senior Management staff of the Bank and customers of the Bank.

For this study, closed-ended questions was designed in order to call for responses, which narrow down the field of enquiry and the respondents chooses among fixed responses. The questions also help the student researcher to analyze the data easily since the responses can be directly compared and many questions can be answered in a short time.

Both the questionnaires (staff and customers) are consisted of two parts. The first part is designed to gather general information about the respondent and the second part is designed to assess the level of service delivery and to evaluate the impact of BPR implementation. Semi-structured face to face interviews is also conducted with some re-engineering team members. I used a set of open-ended questions, related to BPR, to guide interview discussions.

3.2. Sample size and sampling procedure

To study the impact of BPR implementation, the study population constitutes the service providers (Employees of the Bank), team members of the BPR study project and the end-users (Customers). In selecting the sample size, both judgment and random sampling were used. To ensure validity of data, judgmental sampling was used and informants who are most knowledgeable about the subject matter of the study and also have five years and above experience in the Bank are selected. So, data on BPR implementation gathered from the clerical staff of the Bank who have five years and above experience in the Bank, from all the BPR Team members who were directly involved on BPR project study and from the customers of the Bank who have at least five years relation with the Bank. Accordingly, from the total staff (703 employees as of June 30, 2013), 318 staff were selected who have a working experience of five or more years in the bank. From the 318 staff, 174 of them are non-clerical staff and not included in this study in the assumption that the concept of BPR needs a higher level conceptual understanding. From the rest of 144 staff (clerical, professional and managerial), for purposes of administering questionnaires, 104 questionnaires were randomly distributed to the staff. With regard to the Bank's customers, 50 questionnaires were distributed for those who have at least a five years relation with the Bank. In total 154 questionnaires (104 for staff and 50 for customers) were distributed and only 70 respondents from the NBE staff and 20 respondents from NBE's customers were collected. As a result, the sample size is comprised of 90 respondents.

3.3.Data sources

Primary data was collected mainly through questionnaires of both types (closed-ended and open-ended) as well as through interviewing concerned BPR Team members. The data for secondary source is extracted from Books, Journals, articles and literatures on the subject matter.

3.4.Data analysis method

Quantitative data collected from the respondents through questionnaire were analyzed and interpreted by computer with spreadsheet soft ware program. The data gathered from interviews was analyzed qualitatively and is triangulated with quantitative data. The data organized and presented to form meaning about the research questions and the appropriate recommendation is draw.

Those data collected through document review also has been analyzed and interpreted by comparing with the standard literature review to draw appropriate finding, conclusion and recommendations.

CHAPTER FOUR PRESENTATION, ANALYSIS, AND INTERPRETATION OF DATA

In this chapter, the re-engineering process followed by the Bank is assessed in comparison with the theoretical concept of BPR and the findings from the data collected through questionnaire and interview will be summarized, analyzed and interpreted using statistical tables and narrations as may be convenient.

4.1. Respondents profile

The first part of the survey instrument attempted to acquire respondents' profile both NBE's staff and customers. Profile of respondents' of NBE Staff and customers with respect to Gender, Educational Background, current employment status and their duration in the Bank will be compiled and presented as follows.

Table 4.1. Bibliographical Profile of Respondents

	Staff		customers		Total	
	no	%	no	%	no	%
Total number of respondents	70	78	20	22	90	100
Gender:						
Male	46	51	14	16	60	67
Female	24	27	6	6	30	33
Educational Back ground:						
Masters & above	16	23				
Degree	44	64				
Diploma & H. S. complete	10	13				
Job Experience						
Between 6 and 10 years	50	71				
Above 10 years	20	29				
Current employment status						
Senior management	6	9				

Middle management /supervisor	25	36				
Officers	28	35				
Admin. Assistant	9	19				
Customers' organizations						
Government Organization			6	30		
Others			14	70		

Source: Questionnaire

Part 1 of the survey instrument attempted to acquire respondents' profile. As can be seen from the above table 4.1, the majority 67 percent of the respondents are male employees. Of the seventy staff respondents, about 23 percent were postgraduate, 64 percent were undergraduates and the rest 13 percent were diploma or high school complete. Out of the total staff respondents, 71 percent of them have six to ten years experience while 29 percent of them have above ten years experience. In terms of current employment status, of the seventy respondents, 9 percent were senior management members, 36 percent were middle management /supervisor, 35 percent were officers and 19 percent were administration assistant. With regard to customer respondents, out of the 20 respondents, 30 percent were Government organization employees whereas the rest 70 percent were from different institutions.

4.2.Presentation and analysis of data

The analysis part of this study is trying to assess NBE's re-engineering effort (approach and methodology) in comparison with the theoretical concept of BPR. The theoretical concept of reengineering has been mainly extracted from the book RE-ENGINEERING THE CORPORATION. As most of the BPR researchers, this study also referred the book as a starting point of re-engineering. Though, this book's literature is substantial, it has some problems in documenting the BPR experiences of only private sector organizations. Hence, the student researcher preferred to refer Linden's book SEAMLESS GOVERNMENT: which substantially exemplified the public sector organization's re-engineering process.

To analyze the impact of the BPR study implementation, there could be so many issues that have to be raised and discussed in connection with the re-engineering. However, to manage the study, the student researcher preferred to discuss selected issues that have an influential impact on the outcome of the BPR implementation. In doing so, nine major issues were selected to analyze the following sections. These are: Need for change/reengineering; Commitment; Team formation; BPR approach; BPR implementation, change management; IT infrastructure; Monitoring and Evaluation; the human aspect of BPR and organization performance improvement.

4.2.1 Precondition for reengineering or change/the 1st issue/

BPR researches indicates that organizational change efforts generally requires the leaders to verify the need for change and persuade other members of the organization and important stakeholders that change is necessary. That process of convincing individuals of the need for change often begins with crafting a compelling vision for it and persuasively communicating it through continuing process. Therefore, the need for organizational change, how this need communicated to the entire organization and how vision was shared in NBE's case will be analyzed as follows.

a. Assessment of NBE's need for reengineering/change/

Recognizing the need for change is useful in determining whether dramatic change by doing BPR is really necessary. BPR literatures indicated that a key driver, or catalyst, of any organizational change program is the recognition that problems exist within the organization. (Linden, 1993) expressed this situation as "Because re-engineering is threatening, disruptive and potentially costly at first, it is important for the organizations to be experiencing a real pain". This also was expressed by the famous writer (Davenport, 1990) as "the threat or pain must be real, and it must be perceived by the employees". Therefore, before starting any change/re-engineering, the

management and its employees has to feel and believe that there is a real pain in the organization.

In the case of National Bank of Ethiopia, the major driving force for the change program was external i.e. the nationwide civil service reform program. As per the various documents of the Bank, it has been noted that the Government of Ethiopia has made nation-wide reform program to address the problems in the civil service institutions. In line with this national reform program, the Bank has also decided to conduct BPR program to achieve dramatic performance improvement in all areas of its business units and started the Re-engineering project in the year 2007.

Employees of the Bank were asked about the need for organizational change through questionnaire.

Table 4.2– Assessment of Employees’ opinion about the need for change

Questions		Strongly Agree	Agree	Disagree	Strongly disagree	I don't know
There was a real pain or sense of urgency for organizational change. (Q5.1)	No	11	18	22	19	
	%	16	26	31	27	

Source: **Questionnaire August 2013**

From Table 6 above, it can be seen that 58% of the staff respondents do not believe that there was a need for organizational change. As most of the BPR writers give high emphasis to communication, the top management has to make an effort to demonstrate the real pain of the existing organization’s situation and that pain has to be perceived by the employees. Unless the staff feels such pain they might not understand the need change.

b. Assessment of NBE’s communication for change/reengineering

One of the most challenging and demanding aspects of any change is communication. The writer (Davenport, 1990) expressed about effective communication as “a key to successful change effort”. He also emphasized that communication is needed throughout the change process at all levels and for all audiences and should be open, honest, and clear. Executives/leaders of any organizations are expected to take time to communicate the vision to the entire organization. The communication has to be to all levels of personnel and must remain active from start to finish keeping everyone involved and working towards a common goal.

NBE Employees’ opinion was collected through questionnaire to understand how the change was communicated to the entire organization.

Table 4.3: Assessment of Employees’ opinion how they were communicated about the change

Questions		Strongly Agree	Agree	Disagree	Strongly disagree	I don’t know
The need for organizational change was properly communicated to the entire staff (Q 5.2)	No	7	8	46	9	
	%	10	11	66	13	

Source: **Questionnaire August 2013**

As can be observed from the above table, it has indicated that majority of the staff (79%) of them said they were not properly communicated about the change.

c. Assessment of shared vision

The starting point and focus of successful change is having a clear vision about what the scope and impacts of the future changed state will be. Getting staff motivated to share the vision and to support the change is crucial for success. A clear and strategic message is needed about how Employees and stakeholders will be impacted and how

the future of the Bank will be improved. Without a shared vision of the change, it would be difficult to align the operation with the change goals.

Employees’ were requested through questionnaire regarding shared vision during the re-engineering period and their responses compiled as follows:

Table 4.4: Assessment of Employees’ opinion about shared vision

Questions		Strongly Agree	Agree	Disagree	Strongly disagree	I don’t know
The staff and executive management had a shared vision regarding the need for change (Q5.3)	No	8	12	32	9	3
	%	13	19	50	14	4

Source: **Questionnaire August 2013**

As shown in the above table 8, the majority of the 64% responded that there was no shared vision between the management group and the rest of the staff.

4.2.2 Commitment for the change/re-engineering /2nd issue/

Many literatures indicated that BPR must have the full support and commitment of top management. Getting enterprise wide commitment mainly involves the top management commitment.

There is no doubt that major changes to business processes have a direct impact on business process, technology, and job roles. Significant changes to even one of these areas require resources, money, and leadership. (Linden, 1993) (p128) expressed the importance of commitment as “Every innovation requires top level support but BPR is indifferent in that it requires more than support from the top i.e. it requires active continuous involvement at the top.” The importance of Leadership was also expressed

by Hammer (Stanton) (p34) as “it is unalterable axiom of reengineering that only succeeds when driven from the top most levels of an organization”.

In the case of NBE, as the various bank’s document indicated, the leader had made the maximum effort by giving top priority for the BPR project. To this effect, all the team members were assigned on a full time basis and got intensive trainings. The leader also provided all the necessary resources needed for the re-engineering project including covering of the costs for benchmarking. Due to this, all the team members have got an exposure visit of different foreign countries like Asia (Malaysia and India) and Africa (Ghana). This provision of adequate resources for the re-engineering project indicated the commitment of top management from the start of the project.

In addition, BPR study Team members’ were requested through questionnaire to get their opinion about the commitment of the leader.

Table 4.5: Opinions’ of BPR Team members about top management commitment

Questions		Strongly Agree	Agree	Disagree	Strongly disagree	I don’t know
The Top management was committed to support the BPR project(Q 7.1)	No	10	6			
	%	63	37			

Source: **Questionnaire August 2013**

The above table delineates that all the BPR study team members (100%) agreed that the leader was committed to support the BPR project for its success. Without the commitment of the top management, the BPR project may not be successful.

4.2.3 Assessment of BPR Team Formation / 3rd issue/

Although BPR team formation consists of only a few tasks, it has a tremendous impact on the success of a BPR. Hammer and Champy (1993) (p102) explained that “How companies select and organize the people who actually do the reengineering is key to the success of the endeavor.” Re-engineering also requires a dedicated team of talented, imaginative people who are unafraid to break roles, who can work together in a multifunctional, multi-disciplinary manner and who put customer needs above organizational turf battle.[Stanton 96].

In the case of NBE, the Governor of the Bank was the leader of the overall re-engineering effort and he appointed the czar (as a manager of the BPR project), the steering committee (a team established from the senior management group including the process owners), the process owners (as leaders of each specific designing team) and the redesigning team members. The redesigning teams were led by the process owners and overseen by the steering committee. Each of the design teams was mixed in experience and knowledge. The combination was from Management staff, senior officers, and junior officers including zero year experience. Most of them were combined from the existing process as an insider and from other department as outsider of the process. During the course of the project, two consultants from capacity building were also assigned permanently to help and support the teams.

Employees of the Bank were also asked with questionnaire about the team members’ skill, experience and capacity to carry out the re-engineering project. The following table is compiled from employees’ responses.

Table 4.6: Assessment of Employees’ opinion about BPR team members

Questions	All of them were competent		Most of them were competent		Only few of them were competent		none of them were competent		I don't know	
	No	%	no	%	no	%	No	%	no	%
The BPR study teams’ skill and experience were adequate for carrying out a re-engineering project (Q6.1)	20	29	30	43	15	21			5	7
The organization had assigned capable, responsible and accountable staffs for the BPR study Teams? (Q6.2)	24	36	35	53	5	8			2	3

Source: **Questionnaire August 2013**

As shown in Table no 9, majority of the staff (72%) agreed that BPR team members’ skill and experience were adequate for carrying out a re-engineering project and also most of the staff 89% agreed that the nominated staff were capable, responsible and accountable staff who have the required skill and experience for carrying out a re-engineering project.

4.2.4 BPR approach/ 4th issue/

Successful BPR implementation is highly dependent on an effective BPR program management. Establishing disciplined approach and using sound methodology were mentioned as a pre-requisite for BPR success by most of the BPR researchers. A thorough process analysis provides a sound footing for any subsequent activities.

a) Assessment of the AS-IS stage

Before the reengineering team can proceed to the redesign process, they are required to understand the existing process. However, some BPR proponents (in particular

Hammer and Champy) argue against analyzing the current enterprise, saying that it inhibits the creative process. (Linden, Work book for SEAMLESS GOVERNMENT, 1993) (p138) expressed the benefit of starting from 'AS-IS' as "a good map which can show the basic steps involved and may locate certain bottle-necks". The writer explained the importance of taking time in the AS-IS stage as that the designing team could understand why the current steps are performed; how technology is currently used and the current organizational structure.

In the case of NBE, after the top management has appointed the re-engineering people for the project and identified the processes, the next step was to understand the existing process. During this phase, the re-designing team identified the process problem, customers and stakeholders' needs, and the staff's problem that prevents them to work effectively. This was done by first creation and documentation of activity and presenting with workflow methods. Then, the amount of time that each activity took and the cost each activity requires in terms of resources was also calculated. Finally, mapping the existing process was done. In doing so, the designing team understood the current process itself; identify important activities, involved people, required resource levels, and existing controls. Getting a realistic view of the "AS-IS" state allowed the redesigning team to understand the team to create a migration plan and a performance baseline. The last step in this phase was benchmarking. All team members had got the chance to visit different local leading organizations like ECA, OAU, and others and also visited different countries' Central Banks in Asia and Africa for benchmarking. This opportunity helped the designing teams to create new ideas for the designing phase.

BPR Team members also requested through questionnaire how they carried out the process diagnosis process or AS-IS step.

Table 4.7: Assessment of BPR team members' opinion about AS-IS step

Questions	Strongly Agree		Agree		Disagree		Strongly disagree		I don't know	
	no	%	no	%	No	%	no	%	no	%
The process diagnosis (AS-IS) was significant to understand and identify the existing performance problem and set stretched objectives (Q7.3)	10	63	6	37						
Taking time in the process diagnosis has enabled the team members to identify process's problem, stakeholders' and customers' current & anticipated needs and expectations(Q7.4)	14	88	2	12						

Source: Questionnaire August 2013

As shown in the above Table 10, almost all BPR team members agreed that staying in this step made them capable of understanding and identifying the existing performance problems; enable them to identify the stakeholders' and customers' current & anticipated needs, expectations and priorities. Furthermore, benchmarking of leading organizations enabled them to create noble ideas and to set their stretched objectives as desired.

b) Process design/TO-BE/

The next step after the team has developed overall view and insight of the current process is beginning the redesign of the business process. "Redesign is the most

nakedly creative part of the entire reengineering process” (Champy, 1993) (p134). The writer indicated that the redesign stage demands imagination, inductive thinking, and a touch of craziness and needs to be out of the box.

In the case of NBE, subsequent to completion of the “As-is” stage, the next step was the re-designing or “to be” stage of the BPR study. The redesigning team had taken innovative practices from benchmarking of different Asian and African countries. Based on that, new ideas were brainstormed and a number of whacko ideas were created that have the potential to dramatically and fundamentally change the processes. In doing so, the re-designing team has been encouraged to discard the existing rules and assumptions.

BPR Team members were also requested through questionnaire how they carried out the TO-BE step.

Table 4.8: Assessment of BPR team members’ opinion about TO-BE step

Questions	Strongly Agree		Agree		Disagree		Strongly disagree		I don’t know	
	no	%	No	%	no	%	no	%	no	%
The BPR Teams have followed the required BPR principles during their study time (Q 7.6)	15	94	1	6						
The BPR Team has developed and proposed effective and feasible recommendations (Q7.8)	12	75	4	25						

Source: Questionnaire August 2013

As shown in Table 11, almost all BPR team members witnessed that they have tried to follow the required BPR principles and they have developed and proposed effective and feasible solutions that can change the Bank radically.

4.2.5 BPR implementation/5th issue/

a. Assessment of NBE's BPR implementation

The implementation stage is described as “the reengineering efforts that meet the most resistance and hence it is by far the most difficult one” (Champy, 1993). To effectively implement the BPR study, an organization has to developed implementation plan that explains the work that needs to be done, with time frames, milestones, decision points, and resource allocations. Training and workforce issues are also elements of effective implementation plan. An organization has to plan and pursue a reasonable transition to the new process; manage the human and technical issues surrounding implementation.

In the case of NBE, this phase was the time where those noble and breakthrough ideas that have been developed through BPR study are to be brought to the ground. The management was highly expected to bring radical change during the implementation period. Accordingly, the Bank had setup responsible governing bodies for the implementation of the change throughout its period. For the implementation phase, a comprehensive implementation action plan was designed and endorsed by the Steering Committee. The implementation plan was designed in a phased approach and incorporated pre-implementation arrangements, transition arrangements, pilot testing and full scale implementation to be conducted. The plan has also included the communication and training plan. Pilot testing has been conducted from December 15, 2009 until March 15, 2010. This step had created an opportunity to identify the strength and weakness of the BPR project and to communicate for the work force for the successful implementation of the full-scale projects.

Employees' opinion was collected through questionnaire to assess how the BPR study project was implemented.

Table 4.9: Assessment of staff opinion about BPR implementation

Questions	Strongly Agree		Agree		Disagree		Strongly disagree		I don't know	
	no	%	No	%	no	%	no	%	no	%
The Bank followed a comprehensive implementation plan (Q8.1)	10	15	23	35	16	24	15	23	2	3
There was appropriate resource and effort for implementing the new process(Q8.2)	18	26	14	20	30	43	8	11		
The Bank was successful in implementing the BPR study project(Q8.3)			9	13	34	49	27	38		

Source: Questionnaire August 2013

As can be seen from the above table, majority of the employees 87%, didn't agree that the Bank was successful in implementing the BPR study project. The table also indicates that only 50% of the employees agreed that the Bank has followed a comprehensive implementation plan and only 46% of the employees believe that there has been appropriate effort for implementing the new process.

4.2.6 Change management /6th issue/

The greatest challenges in managing change did not lie in managing the technical or operational aspects of change, but in managing the human dimensions of change. Change management is all about people! Failure to attend the concerns of the people is one of top ten mistakes in the process of change management.

Some experts caution that unless planning and accountability for change management is given a separate focus, the effort will not be managed well. Since BPR can involve multiple areas within the organization, it is extremely important to get support from all affected departments.

In the case of NBE, in the effort of implementing BPR, the Change Management and Communication Directorate had a great role in providing the technical support and professional support for the first phase implementation period and play a significant role in providing the appropriate training to employees, with regard to process integration and championing the communication activities in the Bank.

Employees' opinion collected through questionnaire how they perceived the Bank's change management.

Table 4.10: Assessment of employee opinion about change management

Questions	Strongly Agree		Agree		Disagree		Strongly disagree		I don't know	
	N	%	no	%	no	%	no	%	no	%
There was a clear communication and information in managing the change process (Q10.1)	4	6	12	17	39	56	15	21		
	11	16	36	51	13	19	10	14		
In the effort of implementing BPR, the staff had got the required capacity building and skill development(Q10.2)										

Source: **Questionnaire August 2013**

The above table indicated that the majority staff (77%) said there was no clear communication in the change process. However, most of the staff (67%) agreed that there was enough capacity building programs to introduce with the newly designed process.

4.2.7 IT infrastructure /7th issue/

Most Re-engineering analysts view BPR and IT as irrevocably linked. The IT infrastructure and BPR are interdependent in the sense that deciding the information requirements for the new business processes determines the IT Infrastructure constituents, and recognition of IT capabilities.

Factors related to IT infrastructure have been considered by many researchers and practitioners as a vital component of successful BPR efforts. Effective alignment of IT infrastructure and BPR strategy and effective use of software tools are the most important factors that contribute to the success of BPR projects.

In the case of NBE, during the BPR study project, the IT process design team recommended the best IT infrastructure that could modernize the Bank’s overall activities. However, the process of acquisition of the technology has taken ample time i.e. two years. Currently it is on the final step to launch the technology.

Employees were asked whether they believe that the bank has made the appropriate effort to acquire the necessary IT investment to support the newly designed process.

Table 4.11: Assessment of Employees’ opinion about IT infrastructure

Questions	Strongly Agree		Agree		Disagree		Strongly disagree		I don’t know	
	No	%	no	%	No	%	No	%	no	%
The bank has made the appropriate effort to acquire the necessary IT investment to support the newly designed process (Q 9.1)	3	4	15	21	28	40	22	32	2	3
The problems related to IT infrastructure investment has hindered the implementation of newly designed process (Q9.2)	26	37	38	54	6	9				

Source: **Questionnaire August 2013**

As can be seen from Table 13, the majority of the respondents 75% showed their disagreement as to the management’s effort to acquire the necessary IT investment. Furthermore, the majority 91% of the staff agreed that the problems related to IT

infrastructure investment has hindered the implementation of the newly designed processes.

From the open-ended questions during the interview, almost all of the BPR Team members expressed their opinion that the major reason for the slowdown of the overall change process was the delay to avail the required IT infrastructure that could in parallel support the newly designed processes. However, the bureaucratic procedure in selecting and acquiring a new IT infrastructure takes ample time and this diminished the BPR momentum.

4.2.8 Monitoring and Evaluation /8th issue/

Monitoring and evaluation of the change initiatives is essential and could tell an organization where it stands in its effort to achieve the desired goals. The metrics (key performance indicators) could measure and compared how the organization achieved its desired goals and such measures could indicate the progress of a change effort towards the desired goals. Monitoring and tracking of the organization's performance certainly requires having proper automation.

In the case of NBE, there is a monitoring and evaluation system. However, this system has not been supported by the required automation system and unable to track valid information. As a result, the long range BPR initiatives that could change or modernize the bank were not properly tracked and monitored and nowadays they are almost forgotten.

Employees of the Bank were also requested through questionnaire about the monitoring and evaluation system of the Bank.

Table 4.12: Assessment of employees' opinion about monitoring and evaluation system

Questions	Strongly Agree		Agree		Disagree		Strongly disagree		I don't know	
	No	%	no	%	no	%	No	%	no	%
There is robust Monitoring and Evaluation system that can indicate the Bank is going to the right direction towards its vision (Q8.5)	2	3	12	19	36	55	15	23		

Source: **Questionnaire August 2013**

As can be observed from Table 4.12, most of the respondents 78% disagree that the monitoring and evaluation system was not capable to indicate the right direction of the Bank.

4.2.9 Organization's performance improvement /10th issue/

BPR is defined as a radical change rather than an incremental change. The goal of the BPR is to achieve dramatic improvement in organizational performance. In order to recognize NBE's BPR has achieved dramatic improvement or not due to the BPR implementation, the student researcher preferred to collect feedback from the NBE staff and customers.

Employees and customers were asked if they observed organizational performance improvement after the BPR implementation.

Table 4.13: Opinion of staff and customers about Bank’s performance improvement

Questions		yes		Partially yes		No	
		no	%	No	%	No	%
After implementation of the BPR study, did you observe significant organizational performance improvement due to BPR implementation? (Q.13)	NBE’s Staff	5	7	26	37	39	56
After implementation of the BPR study, did you observe significant organizational performance improvement due to BPR implementation? (Q.4)	NBE’s Customers	2	10	6	30	12	60

Source: Questionnaire August 2013

The data reveals that 56% of the employees and 60% of the customers said that they did not observe significant organizational performance improvement due to the BPR implementation.

In addition, employees were requested to rate the improvement level in terms of service quality, cycle time reduction, attitudinal change, incentive and reward system and employees’ job satisfaction.

Table 4.14: Employees' ratings about organization performance improvement

Questions	Excellent 90-100		V. Good 75-89%		Good 74-60		Satisfactory <59	
	no	%	no	%	no	%	No	%
Quality of service delivery(Q11.1)	1	1	13	19	35	50	21	30
Reduced cycle time (Q11.2)	4	5	9	13	27	39	30	43
Customers' satisfaction(Q11.3)			11	18	33	50	21	32
Behavioral & attitudinal change of the Staff(Q11.4)	1	1	6	9	31	44	32	46
Salary, incentive & reward system(Q11.5)			5	7	19	27	46	66
Your job satisfaction(Q11.6)	10	14	16	23	34	49	10	14

Source: Questionnaire August 2013

From the above table, we can observe that 80% of the employees have rated quality of service delivery below 75 %; majority of the employees (82%) have rated reduced cycle time below 75%; most of the employees 82% rated customer satisfaction below 75%; majority of the employees have rated behavioral & attitudinal change of the staff as below 75%; most of the employees (93%) have rated Salary, incentive & reward system below 75%.

Table 4.15: assessment of problem identification

Questions	A	B	c	d	E	F	G	H	i	J	k	l
Which of the following problem/s is/are the major constraint/s for the organization improvement? (you can specify more than one (Q.14)	18	42	16	23	21	15	5	11	7	8	57	

Source: Questionnaire August 2013

a= The BPR Study Team did not provide feasible solution

b=Absence of the required IT infrastructure

c=Shortage of skilled manpower

d= Lack of proper monitoring and evaluation

e= Lack of proper change management

f=Lack of Top management commitment

g=Lack of employee commitment

h=Absence of Employee motivation

i=Absence of change agent

j=Employees' resistance to change

k=Absence of proper Salary, incentive and reward system

l=Others, specify

The above table no. 18 indicates that despite their degree of prevalence all problems that listed above were found the problems of the Bank either in isolation or in combination. However, absence of proper Salary, incentive and reward system was given the highest regard by the respondents.

CHAPTER FIVE FINDINGS, CONCLUSION AND RECOMMENDATION

This chapter provides the summary of the major findings of the study; it draws conclusions and forwards recommendations.

5.1. Summary of findings from the above analysis:

- About 58% of the staff respondents do not believe that there was a need for organizational change.
- The majority of the staff (79%) said they were not properly communicated about the change.
- 64% of the staff respondents said there was no shared vision between the management group and the rest of the staff
- All the BPR team members agreed that the leader was highly committed to support the BPR project
- 79% of the staff agreed that BPR Team members' skill and experience were adequate for carrying out a reengineering project
- Almost all BPR team members agreed that staying in the AS-IS step made them capable of understanding and identifying the existing performance problems; enable them to identify the stakeholders' and customers' current & anticipated needs, expectations and priorities.
- All BPR team members witnessed that they have tried to follow the required BPR principles and they have developed and proposed effective and feasible solutions that can change the Bank radically.

- Majority of the employees 87%, didn't agree that the Bank was successful in implementing the BPR study project. And also only 50% of the employees agreed that the Bank has followed a comprehensive implementation plan and only 46% of the employees believe that there has been appropriate effort for implementing the new process.
- Majority staff (77%) said there was no clear communication in the change process. However, most of the staff (67%) agreed that there was enough capacity building programs to introduce with the newly designed process.
- Majority of the respondents 75% showed their disagreement that the management has showed the required effort to acquire the necessary IT investment. Furthermore, the majority 91% of the staff agreed that the problems related to IT infrastructure investment has hindered the implementation of the newly designed processes.
- The findings reveal that 56% of the employees and 60% of the customers said that they did not observe significant organizational performance improvement due to the BPR implementation.
- Majority of the employees have rated quality of service delivery and reduced cycle time below 75%;

5.2.Conclusions of the findings

- The National Bank of Ethiopia top management has played to some extent a constructive role to transform the institution to a modern Bank. However, as a change leader and organizer the top management has not discharged its responsibilities in verifying the need for change; in convincing employees; in communicating the vision of the Bank. The analysis also indicates that the

majority of the staff were not convinced about the need for change and they were not considered to share top management's vision.

- Any change requires commitment and the top management commitment and support is among the factors that positively contributed to the success of BPR implementation. The findings of this study reveal that there was a high commitment of the top management and a positive effort to support and implement the BPR project.
- Establishing a disciplined approach for BPR and using a standard re-engineering principles and a sound methodology are a pre-requisite for BPR success. The survey in this study reveals that NBE's BPR study has followed the required BPR standards and principles. It could be concluded that the BPR project used the standard principles, methodology and disciplines to satisfy customer's need and expectations and to adopt best practices.
- The BPR Team formation has an influential impact on the success of the BPR endeavor. The findings of this study reveal that the BPR team members' skill and experience were adequate for carrying out a re-engineering project and they were responsible and accountable.
- BPR has been conducted with the intent to bring radical transformation and to replace traditional and outdated working system by technologically advanced ones. To support the redesigned process, parallel change in IT architecture were required. However, this study reveals that the required IT has not been implemented at the right time. The problems related with IT investment have hindered the efforts made to bring the desired change. During the interview, most of the interviewees agreed that the major reason for the slowdown of the overall change process was the delay to avail the required IT infrastructure on time. Therefore, it can be concluded that the delay in investment of IT infrastructure has taken ample time and this diminished the BPR momentum.

- Getting staff motivated through reward system plays a crucial role in facilitating reengineering efforts. This study reveals that, employees' incentive and reward system was not changed due to the BPR implementation.
- Monitoring and Evaluation is crucial for long lasting of re-engineering success. However, as the findings reveals, the NBE's BPR initiatives were not measured and monitored and also nobody is responsible for the tracking/follow-up of the initiatives.
- Re-engineering is conducted to achieve quantum leaps in critical measurement of performance such as quality of service and time /speed of service. This study reveals that, organization performance improvement (quality of service and reduced time/speed) was rated below 75% by the majority respondents. From this we can conclude that there is some improvement in quality of service delivery and reduced processing time but it was not a dramatic improvement in the overall organization performance.

5.3. Recommendation

- Change for organizations whether in the private, public or voluntary sectors has been inevitable. However, to have a sustainable and achievable change, it should begin with clear understanding of the existing problem of the Bank and having a clear vision about the change program. BPR or any change program will be most effective when everyone understands the need for change, and works together to bring the desired change.
- Consequences of re-engineering often include employee empowerment, re-defined new job responsibilities, merger of responsibilities and creation of new positions. These consequence required appropriate change in incentive structure. In order to be successful in BPR, NBE needs to adjust the required incentives and reward system.

- Change usually involves three overlapping aspects: people, processes and technology. Often, the emphasis is upon the processes and technology. However, in order to properly embed a change, it needs to balance all three of these aspects. People should be the focus for any successful business change. In fact, many BPR projects have failed because they did not recognize the importance of the human element in implementing BPR.

References

- A.F. Chennell, S. D. (n.d.). A system for organizational performance measurement.
- Burnes, B. *Managing Change*. printice hall.
- Butler, M. B. (n.d.). Implementing Business Process Redesign: Early lesson from the Australian experience.
- Champy, M. H. (1993). *Reengineering the Corporation: A Manifesto for Business Revolution*. London: Harper Collins.
- Claire Mc Cathy, M. a. (2010). *Change Management strategies for an effective EMR implementation*. USA: HIMSS.
- Davenport. (1990). *The new Industrial Engineering: Information Technology and Business Process Redesign*.
- Debela, T. (n.d.). BPR in Ethiopian public organizations: the relationship between theory and practice.
- Debela, T. (n.d.). BPR in Ethiopian Public Organizations: the relationship between theory and practice.
- Government, Q. (n.d.). Change management best practices guide - five key factors common to success in managing organizational change.
- Hammer, M. (1996). *Beyond re-engineering :How the process -centered organization is changing our work and our lives*. Harper Collins.
- He, X. J. (n.d.). A Comparative study of BPR in China.
- Jackson, P. M. (n.d.). Public Service Performance Evaluation: A strategic perspective.
- James Y. L. THONG, C.-S. Y.-L. (n.d.). BPR in the Public Sector: The case of the Housing Development Board in Singapore. *Management Information System* .
- Jemella, N. S. (n.d.). BPR and performance improvement. *Business process management journal* .
- Kandt, R. K. (n.d.). Organizational Change management Principles and practices.
- Kaplan, R. N. (2006). *The Balanced Score card: Translating strategy into action*. Harvard Business School.
- Licheiello, P. (2006). *Guide book for performance measurement*. Seattle, WA: new century.
- Linden, R. M. (1993). *SEAMLESS GOVERNMENT: A practical Guide to Re-engineering in the public Sector*. San Francisco: Jossey Bass Publishers.
- Linden, R. M. (1993). *Work book for SEAMLESS GOVERNMENT*.
- M.Grotevant, S. (December 8, 1998, Washington). Business Engineering and Process Redesign in Higher Education: Art or Science?
- M.Linden, R. *Work Book for Seamless Government: A Hands-on Guidance for implementing Organizational Change*. Sanfrancisco, California: Jossey_Bass Publishers.

Moorthy, M. E. (n.d.). Assessing the effect of BPR on organizational performance: A case study of Bureau of Finance and Economic Development(BOFED). *Journal of Arts , Science & Commerce* .

Mrs. Adeyemi, S. a. (n.d.). Impact assessment of BPR on Organizational performance.

Nereu F. Kock Jr, R. J. (n.d.). BPR in the public sector: A case of successful failure.

Peter O Neill, A. S. (n.d.). BPR a review of recent literature.

Reaf Lawson, T. H. (2007). *Score Card Best Practices: Design, Implementation and Evaluation*.

SONG, X. (n.d.). Why do change management strategies fail? *Journal of Cambridge studies* .

Stanton, H. a. *The Rengineering Revolution: The Hand Book*. Harper Collins, Publishers.

Subramanian Muthu, L. W. (n.d.). BPR : A consolidated Methodology.

Xiaoli, L. (n.d.). Correlation between BPR and operation performance of National Commercial Banks.

Zairi, M. A.-M. (n.d.). BPR implementation process: an analysis of key success and failure factors. *International Journal of Buisness and Managemet* .

St. Mary University College Graduate studies MBA Program

Questionnaire to be filled by NBE staff/Management & Employee/

Dear Respondent,

The purpose of this questionnaire is to collect primary data for conducting a study on the topic, "**Assessment of Business Process Reengineering Study and its implementation at National Bank of Ethiopia/NBE/**" as partial fulfillment to the completion of the Masters of Business Administration (MBA) Program at St. Mary University College Graduate studies. The information acquired through this questionnaire will be kept confidential and it is purely for academic purpose. In this regard, I kindly request you to provide reliable information that is to the best of your knowledge so that the findings from the study would meet the intended purpose. I would like to thank in advance for devoting your time to complete this questionnaire.

Please note that you are not required to give your name; give your answer by putting "X" mark or in writing wherever appropriate. In case you have ambiguities on any of the questions, please do not hesitate to contact me through internal call 5058(W/ro. ZELEKA).

PART I. PERSONAL PROFILE

1. Gender : Male Female
2. Educational Background:
 - a. Masters & above
 - b. First Degree
 - c. Diploma and High School Complete
3. How long have you been in this organization?
 - a. below 5 years
 - b. 5 to 10 years
 - c. above 10years
4. Your current employment status
 - a. Senior Management
 - b. Middle management/supervisors
 - c. Officers
 - d. Admin. Assistant
 - e. others

PART II. QUESTIONS ON BPR STUDY and ITS IMPLEMENTATION

5. Assessment of NBE's commitment for re-engineering

No	Questions	Yes, Agreed	Yes, Partially agreed	disagree	neutral
5.1	Do you agree that there was a real pain or sense of urgency for organizational change?				
5.2	Do you agree that the need for organizational change was properly communicated to the entire staff?				
5.3	Do you agree that the staff and executive management had a shared vision regarding the need for change?				

6. Assessment of BPR Team formation

No	Questions	Yes	Somewh at yes	No	I don't know
6.1	Do you think the BPR study teams' skills, and experience adequate for carrying out a re-engineering project?				
6.2	Do you believe that the organization had assigned capable, responsible and accountable staffs for the BPR study Teams?				

7. Assessment of BPR Study Project (**Only for BPR study team members**)

No	Questions	Yes, Agreed	Yes, Partially agreed	disagree	neutral
7.1	Do you agree that the BPR study team has got full support from the Top management				
7.2	During your study, do you agree there was the required commitment from the study Team members?				

7.3.	Do you agree that the BPR Team has understood and identified the existing performance problem, and set stretched objectives?				
7.4.	Do you agree that the BPR Team has properly identified the stakeholders' and customers' current & anticipated needs, expectations and priorities?				
7.5.	Do you agree that the BPR Team has benchmarked against leading organization?				
7.6.	Do you agree that the BPR Team has followed the required BPR principles during the study time?				
7.7.	Do you agree that the BPR breakthrough ideas and change initiatives incorporated and implemented in the newly designed processes/Directorates?				
7.8.	Do you agree that the BPR Team has developed and proposed effective and feasible recommendation?				
7.9.	Do you agree that the re-engineering project was properly managed and had got full support of top management?				

8. Assessment of BPR implementation?

No	Questions	Yes	Somewhat yes	No	I don't know
8.1	Do you agree that the Bank was successful in implementing the BPR study project?				
8.2	After implementation of the BPR study, do you believe that your Directorate achieved the desired results?				

9. Assessment of Enabler (IT infrastructure)

No	Questions	Yes	Partially yes	No	I don't know
9.1.	Do you believe that the Bank made appropriate effort to acquire the necessary IT investment to support the newly designed processes?				
9.2.	Do you believe that the problems related to IT INFRASTRUCTURE investment hinder the implementation of newly designed process?				
9.3.	Do you have easy and rapid access to all information within the organization?				

10. Assessment of change management?

No	Questions	Yes	Somewhat yes	No	I don't know
10.1	Do you agree that there was a strong commitment and leadership to bring organizational change?				
10.2	Do you believe that there was a clear communication and information in managing the change process?				
10.3	In the effort of implementing BPR, do you believe that the staff had got the required capacity building and skill development?				
10.4	Do you believe that there was proper monitoring and evaluation on the BPR implementation progress?				

11. After implementation of BPR, How do you rate

No	Questions	V. Good	Good	Satisfactory	Below satisfactory
11.1.	The change in improving quality of service delivery				
11.2.	The change in reduced cycle time				
11.3.	The change in customer's satisfaction				
11.4.	Behavioral & attitudinal change of the Staff				
11.5.	Salary, incentive & reward system				
11.6.	Your job satisfaction				
11.7.	The impact of BPR implementation in changing/improving the organization?				

12. Do you believe that the Bank was successful in implementing BPR study with regard to organizational structure? Yes No

If your answer to Q 12 is 'NO' what is your reason?

13. After implementation of the BPR study, did you observe significant organizational performance improvement due to BPR implementation?

Yes partially yes NO

14. In your opinion, which of the following problem/s is/are the major constraint/s for the organization improvement? (you can specify more than one)

- a. The BPR Study Team did not provide feasible solution
- b. Absence of the required IT infrastructure
- c. Shortage of skilled manpower
- d. Lack of proper monitoring and evaluation
- e. Lack of proper change management
- f. Lack of Top management commitment
- g. Lack of employee commitment
- h. Absence of Employee motivation
- i. Absence of change agents
- j. Employees' resistance to change

k. Absence of proper Salary, incentive and reward system

l. Others, specify

15. What do you recommend to solve the identified problems and to achieve the desired results?

Thanks for your kind cooperation. !!!!!

DECLARATION

I, the undersigned, declare that this thesis is my original work, prepared under the guidance of Tilaye Kassahun(PhD). All sources of materials used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

Zeleka Haile

Name

Signature & Date

ENDORSEMENT

This thesis has been submitted to St. Mary's University College, School of Graduate Studies for examination with my approval as a university advisor. Tilaye Kassahun(PHD)

Advisor

Signature & Date