

**ASSESSMENT OF HUMAN RESOURCE FACTORS IN IMPLEMENTATION OF BUSINESS
PROCESS REENGINEERING AT KENYA COMMERCIAL BANK**

By

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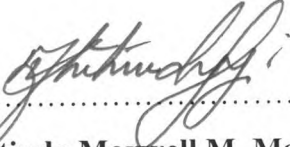
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**A Research Project Submitted in Partial Fulfillment of the Requirements for the Award of
Master of Business Administration University of Nairobi.**

October 2009

DECLARATION

I hereby declare that the work contained in this project is my original work, and has not previously in its entirety or in part been presented at any other university for a degree. All the references cited in the text have been duly acknowledged.

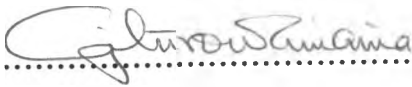


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This project has been submitted with our approval as University supervisors.



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DEDICATION

I dedicate this work to my wife, Martha Ghati.

A good wife is her husband's pride and joy. (Proverbs 12:3).

To my parents Alexander Mwini and Justina Mbithe, your love, support and encouragement means the world to me.

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I am deeply indebted to Dr. Gituro Wainaina and Mr. C. N. Kariuki for their guidance, patience and insightful input from the commencement of this project to its completion. To Mike Mwangi your tremendous input and support in this project would not go unnoticed. I wish also to express my appreciation to the School of Business, MBA lecturers without whose enormous contribution in class sessions, this work would not have been possible.

I am also grateful to my wife, Ghati. Her co-operation, encouragement, patience, and understanding were attributes without which I would not have successfully completed the project.

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I would like to thank Mr. Laban Sogomo for facilitating my questionnaire clearance for the study at Kenya Commercial Bank (KCB). KCB staff who willingly and heartily expended their time and effort to fill in the questionnaires made it possible for me to come up with the research findings. I extend my appreciation to them.

I cannot end without thanking my family members, on whose constant encouragement and love I have relied throughout my time at the university. Your support will forever be cherished.

Finally and most importantly, I wish to express my deep and heartfelt appreciation to the Almighty God who has graciously made it possible for me to cross this important milestone in my life.

ABSTRACT

The study sought to establish KCB's incorporation of the human resource factors in the development and implementation of its Business Process Reengineering (BPR) projects. The research questions were; to what extent has KCB integrated human resource in its BPR projects?; which human resource factor does KCB emphasis on most?; and do the various factors elicited differ across implementation partners?

Primary data was collected through questionnaires which were distributed to both managers and support staff at KCB head office and Nairobi branches. Data collected was analyzed by use of descriptive statistics and Statistical Package for Social Sciences (SPSS) was used in the analysis. Results of the study indicated that KCB incorporated the human resource factors in development as well as implementation of BPR projects. Of the five human resource factors considered in BPR, staff were agreeable that KCB had integrated four of them namely; egalitarian leadership, top management commitment, managerial support as well as a conducive work environment. Staff remained neutral on KCB's efforts to eliminate employee resistance. Top management commitment was highlighted as the most emphasized human resource factor by KCB. The least stressed factor was employee resistance to change.

The study's major limitation was the low response rate considering the size of KCB's network. However, it has formed a valid and reliable instrument for measuring the critical success factors for implementing BPR projects in the banking industry in Kenya for competitiveness.

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CHAPTER ONE

INTRODUCTION

1.1 Background

Business Process Reengineering has been described as 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 (Hammer and Champy, 1993). The BPR is not an incremental improvement, but rather involves changing direction. The combination of emerging technological capabilities and evolving market demands enables and encourages organizations to take risks associated with radical customer oriented change.

In a review of 23 reengineering projects, Dixon et al. (1994) identified one factor which distinguished them from Total Quality Management (TQM) and other incremental improvement efforts. In every case, reengineering projects involved changing direction or “a shift in improvement trajectory”. Both reengineering and TQM often involve projects characterized by large size, fast improvement rates, cross-functionality, information technology support, and top-down focus. However, according to BPR propositions, when the nature of competition changes, older incremental approaches such as TQM do not work. People must do different things and they must do them in an environment where the old rules no longer apply (Dixon et al., 1994, p.93-108). This strategic nature of BPR is not always appreciated. From a study of reengineering efforts within 35 companies, the following observation was made: “...reengineering is a cross-functional initiative; business process focused; simultaneous change to organization design, culture, and information technology; to enable radical performance improvements.”

Emphasis is on radical change in outcomes and time frame (Stoddard et al., 1995). Radical change involves quantum leaps and simultaneous change in business processes, jobs and structures, values and beliefs, and management and measurement systems performance (Davenport, 1993; Hammer and Champy, 1993). From the above definition

the competitive contexts for such a change as emphasized by Dixon et al. (1994) are not seen as strategic by these authors but rather operational.

1.1.1 Human Resource in Business Process Reengineering

One of the main reasons presented for the difficulty in successfully implementing BPR projects is an apparent lack of consideration of the human resources issues. According to Aghassi (1994), “BPR has too often been seen as a tool to rationalize organizational processes, with the employees considered as an “add on feature”. Davenport (1994) describes BPR as “the fad that forgot people”, although he also points out that “reengineering didn’t start as a code word for mindless bloodshed”. Nevertheless, downsizing has become a word frequently associated with BPR, being seen as happening when organizations try to reap quick benefits from process redesign through a cost reduction obtained by reducing the number of employees.

The human resource aspects are relatively under-stated. The BPR’s main focus is on elements such as: the reasons for a BPR project; process analysis; the influence of Information Technology (IT); tools and techniques; or implementation. From the outset, there has been visibly less on aspects related to the contribution of people to the success of a BPR project. As Davenport (1994, p.121-7) wrote: “The rock that reengineering has foundered on is simple; people. Reengineering treated the people inside organizations as if they were just so many bits and bytes, interchangeable parts to be reengineered. But no one wants to “be reengineered” no one wants to hear dictums like “carry the wounded but shoot the stragglers” – language that makes workers feel like prisoners of war, not their company’s most important assets”. Hammer (1990), one of the implied target of Davenport criticism, himself acknowledged in his later book (Hammer and Stanton, 1994) that “ignoring the concerns of your people” is one of the top ten ways of failing at BPR.

1.1.2 Business Process Reengineering in the Banking Sector

Faced with intensified global competition, ever changing customer requirements and increasing new environmental and governmental regulations, companies need to make drastic changes for future success and economic survival (Lockamy and Smith, 1997). To cope with these and other changes, companies are compelled to rethink their approaches to providing products and services to their customers in order to stay competitive. In addition to having to face the above generic challenges, financial institutions in Kenya operate in a very competitive environment as there were over 42 registered financial institutions and approximately 18 brokerage firms as of December 2008 (Central Bank of Kenya, 2008). Outperforming competitors through radical process and product innovations has become the top priority for most business leaders in Kenya's financial sector.

Business process re-engineering is helpful for financial firms since product innovations alone cannot fully meet the frequent changing customer requirements. The BPR's focus on business processes, instead of functions offers more flexibility for financial institutions to generate innovative ideas and invent new products to better serve their customers. Furthermore, development of new core competencies through BPR has increased the chances of success through market repositioning and improved customer service (Morall, 1994). Although some practitioners consider reengineering as risky, most finance professionals recognize that it is the wave of the future if financial institutions are to remain competitive. Empirical research on application of BPR in the financial services industry is limited.

1.1.3 Kenya Commercial Bank Limited

In Kenya, banks have embraced BPR with an aim of creating efficiencies and reducing costs hence better customer service and increased profitability. Kenya Commercial Bank has not been left behind in this endeavour. According to KCB website (2008), the history of KCB dates back to 1896 when its predecessor, the National Bank of India, opened a

small branch in the coastal town, Mombasa. Eight years later in 1904, the bank extended its operations to Nairobi, which had become the headquarters of the extending railway line to Uganda. In 1958, it merged with Grindlays Bank of Britain to form National and Grindlays Bank. In 1970, the Government of Kenya acquired 60 percent shareholding in National and Grindlays Bank and renamed it KCB. By 1976, the Government of Kenya had acquired 100 percent ownership of the bank.

At full acquisition by the government, the bank had 32 full time branches, of which 25 were located in rural areas, five in Nairobi and two in Mombasa. In April 1997, another subsidiary, KCB (Tanzania) Limited was incorporated in Tanzania to expand financial services and facilitate cross border trade following the revival of the East African Community. In pursuit of its vision, to be the best bank in the region, in December 2005 KCB (Sudan) Limited was incorporated in Sudan as a wholly owned subsidiary of KCB and operations started in May 2006. The latest addition into KCB family came in November, 2007 with the opening of KCB Uganda Limited. The subsidiary has 11 branches. The KCB Rwanda was incorporated in 2008. With the banks operations being run from its head office in Nairobi, KCB had to reinvent itself and thus embarked on a serious process reengineering.

1.2 Statement of the Problem

Given the popularity of BPR and the high failure rates associated with BPR projects, the desire to establish the integration of the key success factors of BPR has gained importance since the 1990s when BPR began to emerge as a contemporary management approach for business success. Most BPR efforts have laid emphasis on the need for adequate resources, investment in IT infrastructure, external orientation as well as use of consultants during implementation. This has explicitly ignored the human resources factor in BPR implementation.

On the other hand, the majority of studies in this area have focused on the importance of

the various factors for the successful implementation of BPR in the manufacturing industry, while relatively few studies have been conducted for the finance industry. In particular, there is little research and literature that documents BPR implementations in the financial services industry. Sayer (1997) emphasized on the importance of power relationships and their role in the manipulation of reality construction, their effects on the outcome of reengineering, and the importance of having an historical understanding of the power-political relationships within an organization. Tenant and Wu (2000) emphasized on understanding the needs of employees rather than focusing on downsizing. Abdolrand, Albadri and Ferdowsi (2008) concentrated on assessing readiness for implementing BPR projects. They noted that it is important to address strong points, weak points and risks as this guarantees project success.

Another study by Willmott (1994) looked at the neglect of the human resource dimension in BPR. He concluded that there was a growing sense of desperation amongst corporate executives and their consultants as this weakening of employee power had led to loss of competitiveness and market share by international companies to Japanese businesses. Cheng and Chiu (2008) in a study of the critical success factors in Hong Kong companies found out that, management commitment, communication of change, customer focus and use of IT are the most critical success factors in BPR implementation.

The KCB is acquiring a new core banking system valued at KShs 560 million from Temeros Corporation of Geneva. Highlighting the importance of this, the chief executive quipped, “we are doing everything we can to limit the amount of disruptions in our processes. A new core banking system will enable us to offer our clients fast and efficient service while also forming the platform upon which we will deliver new technology-driven products” (wrote J. Makau Daily Nation 15th May 2007).

For successful development and implementation of any change process or system, organisations need to incorporate the human resource factor. This study therefore aims at

examining the extent to which KCB has integrated human resource factors in BPR implementation by verifying some assumptions regarding the management of human resources elicited from the literature on BPR, in asking the question: “Does KCB really integrate human resource in BPR implementation?”

The research will answer the following three questions:

1. To what extent has KCB integrated human resource in its BPR projects?
2. Which human resource factor does KCB emphasise on most?
3. Do the various factors elicited differ across implementation partners?

1.3 Objectives of the Study

The general objective of this study was to assess the human resource factors in implementation of BPR at KCB. Specifically, the objectives of the study were to:

1. Determine the extent to which KCB has incorporated the human resource factors in BPR implementation.
2. Evaluate the level of importance that KCB attaches to the various human resource factors in implementation of BPR.
3. Evaluate the importance of various human resource factors across different cadres of employees.

1.4 Importance of the Study

The findings of this study will be important to the following:

Firstly, the top management of KCB will assess the extent to which they have embraced critical human resource factors in BPR implementation. This will help them prioritise such factors during future BPR efforts and on that basis be able to propose solutions to overcome any related challenges.

Human resource practitioners will use the findings to put in place structures and resources which would be supportive to staff involved in BPR implementation. Banking

industry and other organizations intending to implement BPR would make informed decisions by using the findings of this study as a road map in successful BPR implementation. Academicians may use the findings to form a foundation on which more in-depth studies could be done with respect to human resource factor in BPR implementation.

1.5 Overview of the Study

The first Chapter provides a background, reasons for the study, research objectives, research design and methodology, the importance of the study and an overview of the project.

Review of relevant literature on BPR is contained in Chapter two. In this chapter, relationship between BPR and human resource management is examined. A number of propositions relating to aspects of human resource management are derived from the literature. The propositions are analysed under major headings: change management and culture, leadership competency and support, organisational structure and project planning and management.

The third Chapter dealt with research design and methodology. This covered a research methodology which included: research design, population, sample, data collection and data analysis.

The fourth Chapter was on analysis and presentation of the results and findings. The last Chapter dealt with summary and conclusions of the study. It highlighted how the research objectives were achieved and limitations experienced in the research. In addition, other areas of future research on the subject were expounded in this chapter.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

Business process reengineering has been one of the major management phenomena of the 1990s. Books such as those by Hammer and Champy (1993) and Davenport (1993) created a huge wave of interest. One of the difficulties that researchers have to consider in dealing with BPR literature lies in the fact that BPR is not always called BPR, and equally some things that are called BPR are not "really" BPR. As Childe et al. (1996, p.27) observed:

[BPR] has now become accepted as a catch-all to cover areas described by terms which revealed their difference in emphasis . . . these included "business process improvement", an incremental approach based upon the techniques of TQM; "business process redesign", which looks at the design of processes which are effectively supported by IT; business process management, placing an emphasis on management structures based around processes and process managers; "core process redesign", McKinsey consultants' intervention programme; and Hammer's "BPR" which through its contentious and radical approach has become the most used term.

An organisation is made up of people and its businesses, systems and processes are run by people. People are the basic foundation of an organisation as well as the basic units of change. Central to the process of managing an organisation is how people as the key resource are managed.

The concept of involving employees in BPR initiatives is seen as a pragmatic approach to employee participation. A review of the literature by Cotton et al. (1988) on participative management concluded that it should be reviewed as a multidimensional or multiform concept. Peter Block, in McLagan and Nel (1995), points out that from a broader perspective, "people participation in any process is closely aligned with the spirit of a

democratic society”.

Towers (1994) and Hammer and Stanton (1995) argue that managing change and people together is a major contributing factor to the success of BPR-related organisational change. In a discussion of the causes of re-engineering failure, Cooper and Markus (1995) refer to the inadequate treatment of the human aspect when implementing BPR-related change. Kennedy (1994) discusses some elements of human change management which he describes as “the more difficult challenge”, and explains how BPR represents a danger to people when it introduces new job structures and definitions, and forces employees to change their work styles.

The need to incorporate human resource in BPR initiatives has been highlighted by lack of emphasis on human issues in BPR as discussed in a paper by Corrigan (1997) and a report written by Peltu et al (1994). Both had an objective of identifying and delineating the major human and organizational aspects of business process management. Janson (1992) and Arendt et al. (1995) classify the human factor as a major dimension that BPR-related improvements should focus on.

2.2 Human Resource Factors for Successful Business Process Reengineering Efforts

According to Al-Mashari and Zairi (1999), the following constitutes the relevant literature on both soft and hard human factors that cause success of BPR efforts. The factors are categorized into a number of subgroups representing various dimensions related to BPR implementation. These dimensions are: change management and culture, leadership competency and support, organizational structure, and project planning and management. The dimensions are discussed here next.

2.2.1 Factors Relating to Change Management Systems and Culture.

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 (Carr, 1993), is considered by many researchers to be a crucial component of any BPR efforts (Talwar 1993; Moad 1993; Zairi and Sinclair 1995; Towers 1994; Cooper and Markus 1995; Hammer and Stanton 1995; Bashein et al. 1994; Carr and Johanson 1995; Bruss and Roos 1993; Janson 1992; Kennedy 1994). The factors related to change management and culture include; revision of reward systems, communication, employee empowerment, people involvement versus participation, staff training and education, creating a culture for change, and stimulating receptivity of the organisation to change.

Champy (1995, p. 165) said that: Reengineering insists that people no longer be paid the old way, for the time they put in as appendages to the corporate machine. Instead they must be paid for the value(s) they add to the business. Reengineering also insists . . . that payment practices can and should be used experimentally, boldly, subtly, as a management tool for change and the reinforcement of change. The literature on BPR generally emphasises the importance of the role of teams in process performance (of the many kinds of structural changes, one of the most powerful involves structuring process performance by teams", Davenport, 1993, p. 97) and a reward system based on the latter. This suggests financially rewarding the team according to its contribution to the overall process, but considering individual contributions as well.

Both Davenport (1993) and Hammer and Champy (1993) stressed the need to compensate both workers and managers on the basis of their performance in creating value, rather than for the time they pass on the job. Hammer and Champy also emphasised the need to stop using career advancement as a reward for performance in the current job. This means career moves tend to be made sideways more than upwards, and are not so strongly linked to the time spent in a particular position as in the past. A career now becomes more a function of the expertise and skills acquired moving across different

roles. However, with a flattened hierarchy and no management ladder to climb any longer, some motivational mechanisms can be reduced. This was reported in Corrigan's study (1997) as a major area of resistance within middle management. Therefore, reward systems should be revised as part of BPR effort (Jackson, 1997) and the new reward and incentive system must be widespread, fair and encourage harmony among employees (Towers, 1994). Introducing new job titles can be considered as one example of encouraging people to endorse the re-engineering programme without fear.

Communication can represent the difference between failure and success. Effective communication includes maintaining enthusiasm, employees' full involvement, understanding roles and responsibilities in processes and bringing out the best in people in order to enhance their capabilities (Thiagrajan and Zairi, 1997). Lubit (2001), an American organisational development consultant, argued working in groups is a platform for knowledge sharing, which often leads to new insights and innovations. Effective communication is critical to BPR implementation (Falkowski et al., 1998). Expectations at every level need to be communicated. Management of communication, education and expectations are critical throughout the organization (Wee, 2000). User input should be managed in acquiring their requirements, comments, reactions and approval (Rosario, 2000). Communication is needed in the change process at all levels and for all audiences (Davenport, 1993), even with those not involved directly in the re-engineering project (Dixon et al., 1994)

Communication includes the formal promotion of project teams and the advertisement of project progress to the rest of the organization (Holland et al., 1995). Middle managers need to communicate its importance (Wee, 2000). Effective communication between stakeholders inside and outside the organisation is necessary to market a BPR programme (Talwar 1993; Hinterhuber 1995) and to ensure patience and understanding of the structural and cultural changes needed (Berrington et al., 1995) as well as the organisation's competitive situation (Cooper and Markus, 1995)

Employees should be told in advance the scope, objectives, activities and updates, and admit change will occur (Sumner, 1999). Communication should be open, honest, and clear (Davenport, 1993; Janson, 1992), especially when discussing sensitive issues related to change such as personnel reductions (Davenport, 1993).

No expose on employee involvement is complete without it being associated with empowerment. According to Cunningham and Hyman (1999), there is no single or simple definition of empowerment. D'Annunzio-Green and Macandrew (1999) define it as passing on previously withheld authority down the hierarchy. The BPR leads to a flattened organisation structure and as such decisions being pushed down to lower levels, empowerment of both individuals and teams becomes a critical factor for successful BPR efforts (Thomas 1994; Cooper and Markus 1995; Bashein et al. 1994; Hinterhuber 1995; Dawe 1996) since it establishes a culture in which staff at all levels feel more responsible and accountable (Rohm, 1992/93) and it promotes a self-management and collaborative teamwork culture (Mumford, 1995). Empowerment entails that staff are given the chance to participate in the redesign process (Bashein et al. 1994). When empowered, employees are able to set their goals and monitor their own performance as well as identify and solve problems that affect their work, thus they are supporting BPR efforts. According to Coye and Belohlav (1995, p.4):

...employee involvement views participation as a function of several basic organizational processes (information sharing, training, decision making, and rewards). Employee involvement implies that a greater degree of mutuality is present in the organizational relationship... [whereas] participative management typically takes just a programmatic approach to employee participation.

Employee involvement is thus preferred to participation in BPR implementation. Like other authors, Lubit (2001) suggests teams are capable of developing more creative solutions to problems than individuals can.

In BPR therefore, all people must be openly and actively involved (Berrington and Oblich 1995; Jackson 1997; Bashein et al. 1994; Hinterhuber 1995; Bruss and Roos 1993; Arendt et al. 1995; Dawe 1996) and should be consulted at all stages on the process and its leaders. This includes line managers (Harrison and Pratt 1993), process owners (Furey 1993), those involved in Information Systems (IS) and human resources (Bashein et al. 1994), and workers (Janson 1992). The culture of experimentation is an essential part of a successfully re-engineered organisation and, therefore, people involved or affected by BPR must be prepared to endure errors and mistakes while re-engineering is taking place.

Training, reskilling and professional development of the workforce is critical for successful BPR implementation (Towers 1994; Berrington and Oblich 1995; Zairi and Sinclair 1995; Worsley 1994; Bashein et al. 1994; Clemmer 1994; Cooper and Markus 1995; Arendt et al. 1995; Dawe 1996). Heavy investment in training and reskilling of employees on new processes as well as in software design and methodology (Sumner, 1999).

Organisations that undertake re-engineering projects may have to increase their training budget by 30-50 percent (Towers, 1994). The BPR-related concept, skills, and techniques (Cooper and Markus 1995; Berrington and Oblich 1995; Worsley 1994) as well as interpersonal and IT skills (Towers, 1994), skills in TQM implementation and process analysis techniques (Dixon et al. 1994), are all important dimensions of training for BPR. There should be extra training and on-site support for staff as well as managers during implementation. A support organization (for example help desk, online user manual) is also critical to meet users' needs (Wee, 2000). Business managers, line managers, IS managers, and other staff in the front-line are the people who benefit most from education and training activities (Towers, 1994) in both business and IT-related skills and expertise.

The BPR being a change tool, organisational culture is very important and many people have documented it, for example Schein (1992). Changing values and beliefs is one of the most important aspects in any serious attempt to transform business performance. It is also quite a problematic issue; Corrigan's (1997) research highlighted culture change as "proving to be one of the most intractable aspects of successful business process management".

Changing processes without paying enough attention to an organisation's values and beliefs can result in an expensive but ineffective exercise if the organisational culture does not match the different organisation. Moreover, the situation could deteriorate if the informal organisation takes over the formal one, causing tension and an increase in conflict between employees. Because culture is based on beliefs and values held by the organisation's employees, change might take a considerable amount of time. Suggestion have been put that it is possible to use times of crisis to encourage employees to adopt new and more relevant values. This explains, for example, why a number of BPR projects have been introduced following a difficult period for the organisation. The previous organisational culture can also smooth the introduction of organisational changes. Employees can be prepared to accept changes because they already have some of the skills required by the re-organisation, or because the trust existing within the organisation can reduce some of the anxiety and fears.

A study (Childe et al., 1996) of 36 organisations that had undertaken a BPR project highlighted the fact that most organisations were addressing the culture change issue, and some of the better performers were even emphasizing change in culture rather than organisational "shape". A culture with shared values and common aims is conducive to success. Organizations should have a strong corporate identity that is open to change. An emphasis on quality, a strong computing ability, and a strong willingness to accept new technology would aid in implementation efforts.

Management should also have a strong commitment to use the processes for achieving business aims (Roberts and Barrar, 1992). Users must be trained, and concerns must be addressed through regular communication, working with change agents, leveraging corporate culture and identifying job aids for different users (Rosario, 2000). Organisational culture influences the organisation's ability to adapt to change. The existing culture contains beliefs and values that are often no longer appropriate or useful in the re-engineered environment. Therefore, the organisation must understand and conform to the new values, management processes, and the communication styles that are created by the newly-redesigned processes (Business Process Re-engineering 1996) so that a culture which upholds the change is established effectively (Bruss and Roos, 1993).

In a re-engineered organisation, people usually share common goals and thus become more capable of working co-operatively without competing against each other (Andrews and Stalick, 1994). As BPR supports teamwork and integration of labour, co-operation, co-ordination, and empowerment of employees become the standard attitudes in the re-engineered work environment. However, trust and honesty among team members is also needed, and within the organisation as a whole (Dixon et al. 1994; Jackson 1997).

Preparing the organisation to respond positively to BPR-related change is critical to success (Benjamin and Levinson 1993; Bruss and Roos 1993; Barrett 1994). When people are made resilient to change, they remain positive during uncertainty, focused, flexible, organised, and pro-active (Jackson, 1997). Leveraging organisational change requires effective one-to-one and one-to-many interactions to enroll key influencers of both individuals and groups within and without the organisation (Hall et al. 1993; Guha et al. 1993; Jackson 1997).

2.2.2 Factors Relating to Leadership and Management Competence

Though not clear whether top management is responsible for success of BPR, it is appreciated that sound management processes ensure that BPR efforts are implemented

in the most effective manner (Bashein et al., 1994). The noticeable managerial practices that directly influence the success of BPR implementation are; top management support and commitment, championship and sponsorship, the role of managers, and effective management of risks.

Organizational leadership must be demonstrably committed to initiate, sustain and achieve successful BPR programmes. Commitment and leadership in the upper echelons of management are often cited as the most important factors of a successful BPR project (Furey 1993; Hall et al. 1993; Talwar 1993; Guha et al. 1993; Carr 1993; Harrison and Pratt 1993; Stanton et al. 1993; Bashein et al. 1994; Towers 1994; Rastogi 1994; Dixon et al. 1994; Cooper and Markus 1995; Holland and Kumar 1995; Berrington et al. 1995; Zairi and Sinclair 1995; Computer Sciences Corporation Index 1994; Arendt et al. 1995; Feltes and Karuppan 1995; Hammer and Stanton 1995; Jackson 1997).

Leaders must nurture and encourage internal and external stakeholders to achieve the desired change. This responsibility should be distributed among the organization's top leadership and must include personal commitment of chairman and chief executive. Organizational inertia and intransigence must be overcome to implement redesigned processes and requires visible and invisible support of the organization's leadership. This necessitates a shift away from traditional management to leadership. Leaders must demonstrate humility and respect for the previous order. Bennis (1992, p.87) comments:

“Failing to appreciate the importance to the organization of the people who are already in it is a classical managerial mistake, one that new managers and change-orientated administrators are especially prone to make”.

There is a distinction between leadership and management and Bennis (1992) continues that...the distinction is an important one. Leaders conquer the context, the volatile, turbulent ambiguous surroundings that sometimes seem to conspire against us and surely will suffocate us if we let them, while managers surrender to it.

Leadership has to be effective (Holland and Kumar 1995; Zairi and Sinclair 1995), strong (Jackson 1997; Janson 1992), visible (Jackson 1997; Bashein et al. 1994), and creative in thinking and understanding (Hammer and Champy, 1993) in order to provide a clear vision of the future. This vision must be clearly communicated to a wide range of employees who then become involved and motivated rather than directly guided (Carr and Johansson 1995; Hammer and Stanton 1995). Commitment to (Guha et al. 1993; Dixon et al. 1994; Berrington and Oblich 1995;) and support for (Furey 1993; Rastogi 1994; Dixon et al. 1994;) the change must constantly be secured from senior management throughout a BPR project (Dixon et al. 1994). Sufficient authority and knowledge, and proper communication with all parts in the change process, are important in dealing with organisational resistance during BPR implementation (Hammer and Champy 1993, Stanton et al. 1993).

Project sponsor commitment is critical to drive consensus and to oversee the entire life cycle of implementation (Rosario, 2000). Someone should be placed in charge and the change leader should "champion" the project throughout the organization (Sumner, 1999). There should be a high level executive sponsor who has the power to set goals and legitimize change (Falkowski et al. 1998). Sumner (1999) states that a business leader should be in charge so there is a business perspective. Transformational leadership is critical to success as well. The leader must continually strive to resolve conflicts and manage resistance.

Barriers such as political, economic, and organisational risks are all associated with BPR-related change. And champions of the change play a major role in overcoming these barriers and increasing the chance of successful BPR implementation (Benjamin and Levinson 1993; Harrison and Pratt 1993; Dixon et al. 1994; Worsley 1994; Ovenden 1994; Hinterhuber 1995; Arendt et al. 1995). The champions must be able to persuade top management of the need to change and to continually push the change efforts throughout the organisation. Political and material sponsorship by the champions of change to

business processes, job definitions, reward systems, and organisational structure needs strong support from senior management (Hagel 1993; Harrison and Pratt 1993; Barrett 1994; Bashein et al. 1994; Arendt et al. 1995; Berrington and Oblich. 1995; Dawe 1996).

In relation to role of managers Champy (1995) focuses on questions such as what sort of characteristics a manager should have in a reengineered organisation, and what sort of training he/she should go through in order to be effective. In particular, he describes the skills necessary in order to overcome the resistance encountered in the attempt to change workforce mentality. He also underlines the importance of an appropriate training program pursuing three main objectives: Ability to do the job, communication and reinforcement of organisational values, vision and mission, increasing self-consciousness in individual abilities and aspiration within the organisation.

Previous studies suggest that managers in organisations that have been through a BPR project see their role as being changed, especially middle managers (Corrigan, 1997). One of the difficulties for managers in fitting into a process orientated organisation is to define exactly what they have to do in a wider and more generalist role, "where they have their own performance measured with respect to how well they run a process rather than how well they run a department" (Stein, 1995). There is also the necessity for the managers to change their leadership style to one of support and coaching; many find this difficult, especially delegation (Hammer and Champy, 1993; Champy, 1995; Corrigan, 1997).

Planning the future and managing risk in BPR efforts are also essential (Ramenyi and Whittaker, 1994). Risk in BPR originates from incorrect or inadequate changes to processes, structure and their supporting IT systems, from making radical changes that lead to political conflicts, from investment decisions, and from introducing new hardware and software system (Clemons, 1995)

Risks associated with acceptance of changes in the organisational structure, deploying emerging ITs with little familiarity, large investment in new resources needed for the new processes, loss of personnel, and loss of earnings (Towers 1994; Clemons 1995) are also examples of the many risks that an organisation may take when implementing BPR. Therefore, continuous risk assessment is needed throughout the implementation process (Talwar, 1993) to deal with any risk at its initial state (Towers, 1994) and to ensure the success of the re-engineering efforts. Anticipating and planning for risk handling is important for dealing effectively with any risk when it first occurs (Clemons, 1995).

2.2.3 Factors Relating to Organisational Structure

Processes and formal organisational structure are generally independent as they are across functions or departments and involve people with different expertise and roles. However, formal organisational structures can deeply influence their effectiveness with the main difficulty being to identify an organisational structure that allows companies to work around processes and not functions. According to Davenport and Short (1990) one possible solution is to create a process based organisation, "in effect abandoning altogether other structural dimensions, such as function, product or geography", whereas a more conservative approach would be to create a matrix of functional and process responsibilities. He also suggested that organisational and human factors have to be dealt concurrently during reengineering in order to smooth the transition.

The BPR leads to flatter organisation; this delayering has been common in general management. The implication of flat organisation is that people are given more responsibility, increased decision making capability, autonomy, and flexibility at the very point where it is needed. Managers also get close to customers and have a "first hand" perception of the reality of the business (Hammer and Champy, 1993). Many also argue that a flat organisation leads to the need to cut down on the number of employees. This should, however not be the case. An organisation only needs to do role modifications and a careful consideration of how knowledge is created and spread across the organisation.

As BPR creates new processes that define jobs and responsibilities across the existing organisational functions (Davenport and Short, 1990), there is a clear need to create a new organisational structure which determines; how human resources are integrated, how BPR teams are going to look, and how the new jobs and responsibilities are going to be formalised.

Several researchers emphasise that designing and implementing an adequate organisational human resources infrastructure is important to a BPR project's success (Zairi and Sinclair 1995; Guha et al. 1993). Job and labour integration (case worker) is the most appropriate approach of human resources design that supports the process-based organisational structure rather than a function-based one (Davenport and Nohria 1994; Hammer, 1990). When individuals within a process perform a series of tasks efficiently, product quality, processing time, and cost are all going to improve (Morris and Brandon, 1991). However, the move to integrate human resources architecture necessitates a careful consideration of all related organisational changes.

The role of the workforce in organisations that have gone through a BPR project is generally said to be quite different compared to traditional organisations (Hammer and Champy, 1993). However, Grint (1994) points out that all the ideas thought to be typical of BPR projects, such as worker empowerment and multi-skilled teams, can be found in other organisations. Therefore, the use of multidisciplinary/cross-functional teams, for example, is seen as central to ideas of empowerment and the different role played by the workforce in a process-based organisation. In the BPR literature, teams are considered an important element in order to achieve all the benefits of a process-orientated organisation. Davenport (1993, p.97) said that:

“Tavistock researchers found that individual-based work designs combined with new technologies were less productive than work teams with no technology. The rationale for this finding was, to a degree, process orientated; the teams worked better because they combined multiple functions into one unit, allowing

adaptation to changing conditions”.

Davenport also said that another benefit deriving from the use of teams is related to the improvement of the quality of the work life due to the increased possibility of social interaction. However, teams do not just “happen”. People need to be trained in how to work in teams, and the team composition itself is an important factor for its success; few things can be more frustrating than working in a team where roles, purpose, working methodology are not defined. This is even more important considering that BPR teams are typically cross-functional, with members coming from different areas of the business with different expertise and different backgrounds. Hence, cross-functional BPR teams are a critical component of successful BPR implementation (Johansson et al. 1993; Furey 1993; Barrett 1994; Towers 1994; Dawe 1996).

Teams should be adequately composed (Hagel 1993; Harrison and Pratt 1993; Moad 1993; Dixon et al. 1994; Carr 1993; Klein 1994; Zairi and Sinclair 1995). Team members should be experienced in variety of techniques (Carr and Johansson 1995; Kettinger et al. 1997). Teams should be made up of people from both inside and outside the organisation (Hammer and Champy, 1993). The determinants of an effective BPR team are: competency of team members (Rastogi, 1994), their credibility within the organisation and their creativity (Barrett, 1994), team empowerment (Carr, 1993), motivation (Rastogi, 1994), effective team leadership (Berrington and Oblich, 1995), training of members in process mapping and brainstorming techniques (Carr, 1993), proper organisation of the team (Guha et al., 1993), complementary skills among team members, adequate size, interchangeable accountability, clarity of work approach, and specificity of goals (Katzenbach and Smith, 1993).

For successful implementation of BPR to be achieved, it becomes a prerequisite to have formal and clear descriptions of all jobs and responsibilities that the new designed processes bring along with them (Talwar, 1993). The BPR typically produces a flatter

organization and a flatter organisation means that people are given more responsibility, increased decision making capability, autonomy, and flexibility at the very point where it is needed (Hammer and Champy, 1993). This does not mean that the number of employees should be reduced (even if it often appears to be the case), but certainly requires role modifications and a careful consideration of how knowledge is created and transferred across the organization.

2.2.4 Factors Related to Business Process Reengineering Project Management

An effective project management is highly dependent on an effective BPR programme management (Computer Sciences Corporation Index, 1994) which includes: adequate strategic alignment (Guha et al., 1993), effective planning and project management techniques, identification of performance measures (Zairi and Sinclair, 1995), adequate resources, appropriate use of methodology (Carr, 1993), external orientation and learning (Jackson, 1997), building process vision (Talwar, 1993), effective process redesign, integrating BPR with other improvement techniques (Zairi and Sinclair, 1995), and adequate identification of the BPR value (Guha et al., 1993).

As corporate strategy determines objectives and guidance on how organisational capabilities can be best utilised to gain competitive position, BPR strategy, accordingly, guides the alteration of tasks and flows into integrated processes, and variance in how tasks are performed and the flow of material, people, and information becomes a source of competitiveness (Hammer, 1990). Therefore, a consideration of the strategic context of growth and expansion (Bashein et al., 1994), creating a top-level strategy to guide change (Carr, 1993), and careful alignment of corporate strategy with BPR strategy (Guha et al. 1993; Grover et al. 1995; Bruss and Roos 1993; Jackson 1997) are crucial tasks for the organization management to ensure the success of BPR efforts.

Proper planning for the BPR project (Berrington and Oblich 1995; Jackson 1997) with adequate time frame (Zairi and Sinclair, 1995) are key factors in delivering a successful

BPR project on time. Effective use of project management techniques (Computer Sciences Corporation Index, 1994) and managing people-related issues (Talwar, 1993) hence also a crucial role in smoothing the flow of the process redesign stages.

Setting high goals for performance (Hagel 1993; Guha et al. 1993) and extendable targets (Hagel 1993; Hammer and Champy 1993; Stow 1993; Hall et al. 1993) for BPR are important success factors. Identifying and setting performance measures (Guha et al. 1993; Gould 1993; Zairi and Sinclair 1995) are also necessary as they indicate levels of achievement.

Ability to learn from an organization's own early re-engineering experience and assimilate lessons into subsequent work is important. Learning can accelerate progress and avoid unnecessary and potentially damaging error. Internal and external benchmarking allows the transfer of learning from one re-engineering process to another in the same organization.

Strict adherence to proprietary BPR methodologies is unlikely to generate abundant creative opportunities. Coulson-Thomas (1994) also cautions against "processism" which refers to some re-engineering teams' unyielding obsession with process to the exclusion of other important organizational architecture. A rounded, comprehensive, mature and considered approach to BPR planning and implementation, emerges from studies as a model of choice.

2.3 Conclusion

The following have been identified as critical human resource factors in successful implementation of any BPR effort:

- (i) Leadership- there is need for strong committed leadership to provide clear vision of the future and communicate that vision.

- (ii) Culture change- organization culture change is necessary to minimize resistance to change by employees.
- (iii) Management support- this is required in order to accommodate changes introduced.
- (iv) Working environment- a proper work environment is needed to promote confidence and teamwork.
- (v) Project management- there is need to pilot implementation so that appropriate adjustments can be done before rollover.
- (vi) Employee empowerment- this is necessary to provide self management and collaborative teamwork principles.
- (vii) Organisation structure- A structure that supports responsibility, increased decision making capability, autonomy, and flexibility.

This study analyses how the above human factors have been managed by KCB while developing and implementing its BPR efforts. It evaluates whether the bank has been using the above factors as a checklist while undertaking or planning to undertake BPR related change efforts. The study also establishes the perceived importance of these human factors as well as how their importance differs across implementing partners such as top executives, users, and project team members.

CHAPTER THREE

METHODOLOGY

3.1 Research Design

The study utilized a case study to gather primary data in order to examine the validity and application of comments in BPR literature regarding BPR projects and human resource management by KCB.

3.2 Population of the Study

The population of the study was derived from KCB head office divisions and Nairobi branches. Three head office divisions that had reengineered some of the processes were chosen while four of the 11 Nairobi branches were picked at random. The criterion to select head office divisions which had reengineered some processes was justified as this would obtain a rich picture of what had really happened rather than statistical representativeness. The target respondents were both managers and non-managers of the divisions and branches. Non managers comprised supervisors and support staff.

3.3 Sampling

The sampling units for this study were randomly selected from the predetermined head office units and Nairobi branches. The head office divisions were Human Resource, Treasury, Operations and IT while Moi Avenue Branch, Savings and Loan, Westgate Park and Kimathi branches were picked for the purpose of this study. Table 1 below shows how the 42 questionnaires were distributed.

3.4 Data Collection

The study relied on primary data which was collected by way of a semi-structured questionnaire that had both open ended and closed questions. This was administered by the researcher by distributing the questionnaires to respondents in KCB head office and Nairobi branches. The open-ended questionnaires were aimed at obtaining qualitative data on additional human resource factors and reasons why respondents felt some human

resource factors are more critical than others. The closed questions were aimed at obtaining quantitative data on the extent to which highlighted human resource factors were integrated.

The questionnaire was divided into two parts; Part A was designed to collect the respondents’ general information on awareness and participation in any of BPR efforts in the organization, whereas part B was intended to collect data on the extent to which KCB had embraced the various human resource factors in implementation of BPR efforts. The questions were broken down under leadership, top management commitment and competency, working environment, management support and employee resistance. The drop and pick later method was used in order to ensure that the researcher was available to clarify some questions that were not clear to the respondents.

Table 1: Number of Respondents in the Study

KCB Units	Number of Units	Number of Units Sampled	Staff Category	Respondents per Category	Total Number of Respondent
Head office divisions	8	3	Management	3	9
			Non-Management	3	9
			Sub-Total	6	18
Branches	11	4	Management	3	12
			Non-Management	3	12
			Sub-Total	6	24
Total	19	7			42

3.5 Data Analysis and Presentation

Data collected through the questionnaires was edited for accuracy, consistency, completeness and tabulated to enable coding and cross tabulation before final analysis. Descriptive statistics were used to analyze the extent to which KCB had incorporated human factors while developing and implementing BPR initiatives and the importance it

attached to these factors. Measures of central tendency (mean) and dispersion (standard deviation) were used to determine whether there were significant differences in opinion among the various staff cadres. To investigate whether relationships existed between the various partners and the factors they considered to be of priority, Chi-square tests were carried out for each factor. This was achieved by use of Microsoft Excel and SPSS programs.

CHAPTER FOUR

DATA ANALYSIS AND FINDINGS

4.1 Introduction

The data analysis was based on the research objectives stated in chapter one. The data analysis was guided by three objectives: the extent to which KCB has incorporated the human resource factors in BPR implementation; the level of importance that KCB attaches to the various human resource factors in implementation of BPR; and the importance of various human resource factors across different cadres of employees. From a target sample of 42 employees, 35 responded. This represented a response rate of 83 percent.

4.2 Response Rate

The target respondents were categorized as either management or non management. Non management comprised of supervisors and support staff. The results for staff designation are represented in Table 2.

Table 2: Response Rate

Designation	Targeted Respondents	Actual Respondents	Percent
Management	21	19	90
Non Management	21	16	76
Total	42	35	83

From Table 2 above, the response rate was 83 percent (35 out of target of 42) employees. The researcher found the response rate adequate and sufficient for the study and also for the purpose of data analysis.

4.3 Participation in Business Process Reengineering Projects

The study sought to establish the participation of the employees in the implementation of BPR projects. The period of employment of the employees was considered in order to determine whether it was a factor for inclusion in developing and implementing the projects. This was achieved through direct inquiry from staff members.

Table 3: Employee Participation

Period in employment	Participated in Any Process(es)	
	Yes	No
Under 3 years	9	
4-6 years	11	
7-9 years	1	
Above 10 years	14	
Total	35	Nil

From Table 3, it can be noted that all the employees who participated in the study were involved in developing or implementing at least one project. Period of employment was not a factor for consideration.

4.4 Role in the Business Process Reengineering Projects

The researcher was interested in establishing the roles in which the sample respondents participated during the implementation process. As shown in Table 4, out of the 35 employee respondents, 5 percent had participated as project managers. Those who were project members in a project team formed 27.5 percent with a further 32.5 percent giving important inputs to the processes/projects without necessarily being project members. A significant percentage of the respondents were consumers of the end products of reengineered processes representing 35 percent of the sampled population. It is important to note that at least every employee played some part in the processes reengineered with some participating in more than one role for different projects. There was clear evidence of the management staff being either project managers or members of a project team while a big number of the support staff participating as end users of the reengineered projects.

Table 4: Roles Played in Business Process Reengineering Projects

Roles	Frequency		Total	Valid Percent	Cumulative percent
	Management	Non Management			
Project manager	2	0	2	5	5
Project team member	8	3	11	27.5	32.5
Not in the project team but actively gave important inputs inform of ideas	9	4	13	32.5	65
Consumer of the end products of the processes reengineered	4	10	14	35	100
Never been involved	0	0	0	0	100

4.5 Level of Importance that Kenya Commercial Bank Attaches to Various Human Factors in Business Process Reengineering Implementation

According to Al-Mashari and Zairi (1999), the relevant soft and hard human factors that cause success of BPR efforts are categorized into a number of subgroups representing various dimensions. These dimensions are: egalitarian leadership, top management commitment and competency, working environment, change management and employee resistance, management support, culture and structure. The respondent were to rate on a scale of 1 to 5 the above factors as having been practiced, experienced or observed in KCB during implementation of BPR efforts, in which: 1= strongly disagree; 2= disagree; 3= neutral; 4= agree; 5= strongly agree.

A Mean Score (MS) ($0 \leq SD < 1.5$) is taken to present Strongly Disagree (S.D), MS of ($1.6 \leq D < 2.5$) is taken to present Disagree (D), MS of ($2.6 \leq N < 3.5$) taken to represent Neutral (N), MS of ($3.6 \leq A < 4.5$) taken to represent Agree (A), while a mean score of ($4.6 \leq SA < 5.0$) is taken to mean Strongly Agree (SA). A standard deviation of greater than 1.5 implies a significant difference in opinion among respondents.

4.5.1 Factors Relating to Leadership

Noticeable managerial practices that directly influence BPR include; visionary leadership, communication of such vision throughout the organisation, the role of managers and their subordinates as well as inclusion of everyone in all BPR efforts.

Table 5: Leadership Factors

Leadership	Mean Score	Standard Deviation
Managers usually share vision and information with their subordinates.	4.0	0.83
There is open communication between supervisors and their subordinates.	3.90	0.80
Managers place confidence and trust in their subordinates.	3.87	0.86
Managers constructively use their subordinates' ideas.	3.43	0.63
Overall	3.80	0.78

From Table 5 above, it is clear that KCB management shares their vision with the employees well. This is indicated by a MS of 4.0. While such vision is fairly communicated it is also evident that managers rarely appreciate employees' ideas towards the success of BPR projects. This is represented by a MS of 3.43.

4.5.2 Top Management Commitment Factors

Under top management, focus is on management's knowledge of the processes to be reengineered, realistic expectations of such projects as well as proper communication channels between management with project team and users.

Table 6: Top Management Factors

Top Management	Mean Score	Standard Deviation
Top management generally have realistic expectation of the processes	3.87	1.01
Top management usually have sufficient knowledge about the projects	3.47	0.73
Top management frequently communicates with project team and users	4.13	0.90
Overall	3.82	0.88

Most employees appreciate top managements communication with BPR teams and users. This is indicated by a MS of 4.13. They are also agreeable with management’s expectations and neutral on management’s knowledge of the BPR projects. These are indicated by a MS of 3.87 and 3.47 respectively as shown in Table 6.

4.5.3 Management Support Factors

Managerial support looks at the revision of reward system after change of processes, efficiency of communication channels and employee empowerment. Other factors include performance measurement, staff training and education as well as stimulating receptivity of the organisation change.

From Table 7, KCB staff are very agreeable to programs aimed at updating their skills as well as the human resources efforts to support information sharing. These are represented by MS of 4.23 and 4.0 respectively. They, however disagree on human resources efforts to adjust its reward system, their performance measurements methods and ability to empower them in order to accommodate changes made. These are represented by MS of 3.43, 3.30 and 3.23, respectively.

Table 7: Managerial Support Factors

Nature of Support	Mean Score	Standard Deviation
The reward system adjusts to serve the employees after the changes	3.43	0.97
The communication channel is efficient to convey necessary information	4.0	0.87
Performance measurement adequately corresponds to the changes.	3.30	0.84
The employees are empowered to make decisions	3.23	0.90
There are training and/or educational programs to update employees’ skills	4.23	0.86
Overall	3.64	0.89

4.5.4 Working Environment Factors

Under working environment, factors include the type of interactions and trust created between coworkers, teamwork displayed by them as well as a conducive environment to carry out their project. Also included is a system to recognize good performers among employees during the projects.

Employees agree that KCB has emphasized on friendly interaction as indicated by a MS of 4.10. However, they do not feel enough trust is inculcated into staff members same as for performance recognition; the two are tied at a MS of 3.63 as shown in Table 8. On teamwork and cooperative environment, they remain neutral at 3.67 and 3.70 respectively.

Table 8: Working Environment Factors

Nature of environment	Mean Score	Standard Deviation
There are friendly interactions between coworkers	4.10	0.88
Coworkers have confidence in and trust each other	3.63	0.67
There is teamwork among coworkers in solving problems	3.67	0.71
Coworkers feel as if they are working in a cooperative environment	3.70	0.53
There is performance recognition among coworkers	3.63	0.81
Overall	3.75	0.72

4.5.5 Employee Resistance Factors

Considered in employee factors include management of managers fear of losing authority after changes, employees fear of losing their jobs, skepticism among employees about project results and lack of comfort in the new environment.

Unlike other human resource factors, employee resistant is the least integrated factor in KCB. As can be seen in Table 9, it has an overall MS of 3.47 and standard deviation of below one percent, which means employees generally agree on the extent of KCB’s incorporation of this factor in BPR efforts. Particularly, staff disagree with KCB’s efforts

to ensure employees feel comfortable in their new environment with a MS of 2.70.

Table 9: Employee Resistance Factors

Resistance Factors	Mean Score	Standard Deviation
Managers are anxious about losing their authority after the changes	3.53	1.08
Employees are worried about losing their job after the changes	3.63	1.03
There is skepticism among employees about the results of the projects	3.73	0.94
Employees feel uncomfortable with the new environment	2.70	0.98
Overall	3.47	0.98

4.5.6 Summary of the Considered Human Resource Factors

A summary of the core factors is derived from Tables 5-9 and summarized in table 10.

Table 10: Human Resource Factors

Factor	Mean Score	Standard Deviation
Egalitarian leadership	3.80	0.78
Management support	3.64	0.89
Top management commitment	3.82	0.88
Working environment	3.75	0.72
Employee resistance	3.47	0.98
Overall	3.70	0.85

From Table 10, top management commitment ranked first with a mean score of 3.82 closely followed by egalitarian leadership with 3.82. Information analyzed showed that KCB attaches more importance to work environment than to management support which have mean scores of 3.75 and 3.64, respectively. Employees resistance was least considered with a mean score of 3.47.

4.6 Level of Importance that Kenya Commercial Bank Employees Attach to the Human Resource Factors

The respondents were asked to highlight the attributes that they felt were most important for successful implementation of any BPR efforts. The choice was to be made amongst the five human resource factors elicited in literature, that is, egalitarian leadership,

management support, top management commitment, working environment and employee resistance. A score of five was meant to represent the most important factor while a score of one was to represent the least important factor.

From Table 11, it is clear that management support was considered by staff as the most important human resource factor with a MS of 3.90 followed by egalitarian leadership with a MS of 3.23. Top management commitment was third with a MS of 3.13 while employee resistance and work environment were fourth and fifth respectively with MS of 3.07 and 2.73.

Table 11: Level of Importance Kenya Commercial Bank Staff Attach to the Human Resource Factors

Human Factors	Mean Score	Standard Deviation
Egalitarian leadership	3.23	1.50
Management support	3.90	1.16
Top management commitment	3.13	1.17
Working environment	2.73	1.60
Organization culture change to minimize employee resistance	3.07	1.70

The standard deviation computed from the responses is quite high with employee resistance having the highest value of 1.70, followed by work environment at 1.60, egalitarian leadership and top management commitment having 1.17 and 1.16, respectively. Management support had least standard deviation at 1.16. The high standard deviation values indicate a lack of consistency in the human resource factors employees considered as critical.

4.6.1 Most Important Human Resource Factors- Management Versus Non Management

A further separation of the results in Table 11 was done between managers and non managers. This was aimed at establishing whether there was a significant difference between what managers viewed as more critical compared to non managers. The result of

their mean scores is summarized in Table 12.

Table 12: Management Versus Non management

Human Factors	Mean Score		Standard Deviation	
	Management	Non Management	Management	Non Management
Egalitarian leadership	3.35	3.0	1.46	1.63
Management support	4.05	3.60	1.05	1.35
Top management commitment	3.15	3.10	1.23	1.10
Working environment	2.16	3.0	1.64	1.56
Organization culture change to minimize employee resistance	2.9	3.40	1.68	1.78
Overall	3.21	3.22	1.41	1.48

From Table 12, management support came out as the most critical human resource factor that should be put into consideration during implementation of BPR. This was unanimous at both management and non management level. Work environment was least important across board though it tied with egalitarian leadership at non management level. The standard deviation of employee resistance in both management and non management levels is greater than of the other factors, that is, 1.68 and 1.78, respectively. This means that there are different opinions about employee resistance at both levels. Generally, the results on management show a much more consistent view than that of non management particularly on management support.

4.6.2 Significance of Factors Between Management and Non Management

Chi square tests for each factor were carried out to determine whether the significance of these human resource factors varied between management and non management staff and the results were as shown in Table 13.

As shown in Table 13, egalitarian leadership had a p-value is 0.193 which is greater than 0.05. This means that the difference in views on egalitarian leadership do not vary between management and non-management staff.

Table 13 also shows top management commitment has a p-value of 0.021 which is less than 0.05. This means that at 95 percent significance level the difference in views on top management commitment factor by both management and non management is significant.

Table 13: Chi Square Tests of Significance of Factors Between Management and Non –Management Staff.

Chi-Square Tests HR factors	Value	Degrees of Freedom	Asymptotic Significance (2- sided)
Egalitarian leadership	12.375 ^a	9	.193
Top management commitment	16.543 ^a	7	.021
Managerial support	12.350 ^a	11	.338
Work environment	9.286 ^a	7	.233
Employee resistance	15.000 ^a	12	.241

As shown in Table 13, the p-value on management support is 0.338 which is greater than 0.05. This means that the difference in views on managerial support factor between management and non management is not significant, that is, management and non management do not differ with respect to managerial support.

The p-value on work environment is 0.233 which is greater than 0.05. That means that the difference in views on the working environment do not vary significantly among staff in management or non management.

Table 13 also shows the p-value on employee resistance as 0.241 which is greater than 0.05. This means that at 95 percent significance level, the difference in views regarding employee resistance is not dependent on the management level of the staff.

CHAPTER FIVE

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of the Findings

This chapter provides the summary of the study findings, conclusions and recommendations arising from this study. The chapter ends with limitations to the study, and suggestions for further study. The study used a case study design where the objectives were to establish answers to three questions, namely: the extent to which KCB has incorporated the human resource factors in BPR implementation; the level of importance that KCB attaches to these factors; and finally evaluate the importance of various human resource factors across different cadres of employees.

The findings of the study indicate that KCB incorporated the human resource factors in development as well as implementation of BPR efforts. This was represented by an overall mean score of 3.70. At least all the respondents interviewed indicated that they had been involved in at least on reengineering process by the bank. As one of the employees put it, implementation of the projects was carried out considering the human aspect and “it could not have been otherwise”. This was aimed at overcoming resistance or simply facilitate the implementation of the organizational changes.

Of the five human resource factors considered in BPR, staff were agreeable that KCB had at least integrated four of them namely; egalitarian leadership, top management commitment, managerial support as well as a conducive work environment. These factors had a mean score of above 3.6. A standard deviation of below 1.0 in all the factors illustrates that there was no significance difference in opinions of the staff in regard to these factors. Staff remained neutral on KCB’s efforts to eliminate employee resistance as it was the only factor with a means score of below 3.60.

Top management commitment was highlighted as the most emphasized human resource factor by KCB staff. Employees felt that before any BPR projects were undertaken,

clearly defined strategies were put in place. They indicated that stressing on the need for top management to have a clear knowledge about the current situation of the organization was emphasized as well as, communicating with employees in order to motivate and control the BPR team and users. This was followed by emphasis on visionary leadership, a conducive work environment and finally managerial support. The least stressed factor was employee resistance and change. Staff felt that KCB did not prepare them well for their new roles after the changes. Fears of losing jobs and redundancy after processes were reengineered were expressed by employees. Further, staff felt their roles were not well defined and time and again it brought about some level of conflict amongst managers, and between managers and employees.

Both management and non management staff considered managerial support as the most critical human resource factor for successful implementation of BPR. Top management which was more emphasized by KCB came in third below leadership. Least on the list was work environment.

5.2 Conclusions and Recommendations

The research objective was to verify some assumptions regarding the integration of human resources, elicited from the relevant literature on BPR, by asking the question: ``does it really happen?“. The answer was generally positive, except for employee resistance. KCB had not progressed as far as the BPR literature implied was desirable. Overall, respondents agreed that a holistic approach to human resource management, both during and after the changes, has to be used. All elements, that is leadership, top management commitment, management support, a good working environment and proper structures to deal with employee resistance have to be considered together. They felt that incorporation of just one human resource factor or emphasis on just a few without considering the others creates conflicting objectives within the organisation and thus becomes unable to achieve the desired benefits.

Stiff competition in the banking industry in Kenya will call for full integration of these human resource factors. A key element is changing people's attitudes; which is not considered an easy task, but achievable if the organisation is honest in its intention. Even if decisions to be taken are tough, people are more ready to accept them if the purpose and scope of those decisions is known and understood. Human resource management used to be a supporting and advisory function; now, according to respondents, it should be integrated into the strategy of the business. People are an active part of teams, influencing the structure of projects. They do not have only a supportive role; they are involved in organizational and cultural change, training, development and selection of people. As one respondent said, human resource management is now steering and shaping the organisation; influencing the shape of the business.

5.3 Study Limitations

Inability to reach the entire KCB network in the country on the part of the researcher contributed to a limited sample of the study population. This led to the case study of KCB's Nairobi branches as opposed to a survey of all the branches in Kenya. It is possible that the results of the study could have been greatly representative if a study of all KCB branches and divisions was done.

5.4 Suggestions for Further Study

The questionnaire used is a reliable tool to measure the integration of human resource factors in BPR implementation in the banking industry. A further research in this area can be extended to other industries, both in the public and private domain. Comparing the research results in various industries may provide more in-depth information as to whether we can generalize the findings of this research to all industries.

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Appendix 1: Questionnaire

This questionnaire is designed to collect data on the extent to which KCB has incorporated human resource factors in developing and implementing its BPR initiatives. Collected data shall be used for academic purposes only, and thus shall be treated with strict confidence. Kindly provide the most accurate information regarding each factor in relation to your place of work. There is no right or wrong answer. Your participation in facilitating this study is highly appreciated.

A. Fill the gap or tick your answer as appropriate.

i) Name of the Department -----

ii) What's your designation in the bank?

Manager	
Supervisor	
Support Staff	

iii) How many years have you worked in this bank?

Under 3 years	
4-6 years	
7-9 years	
Above 10 years	

iv) Have you witnessed any process(es) being reengineered in the bank?

Yes	
No	

If yes, which process (es),

.....

.....

.....

If no, explain why,

.....

.....

V) What role(s) did you play in any of the bank’s process reengineering that you have ever been involved?

Role	
Project Manager	
Project Team Member	
Not in the project team but actively gave important inputs inform of ideas	
Consumer of the end products of the processes reengineered	
Never been involved	

B. Please answer these questions based on your experience and observation in KCB by indicating (√) appropriately as to whether you strongly agree, agree, neutral, disagree or strongly disagree with the statements.

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
1. Managers usually share vision and information with their subordinates.					

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
2. There is open communication between supervisors and their subordinates.					
3. Managers place confidence and trust in their subordinates.					
4. Managers constructively use their subordinates' ideas.					
6. Top management generally have realistic expectation of the processes.					
7. Top management usually have sufficient knowledge about the projects.					
8. Top management frequently communicates with project team and users.					
9. The reward system adjusts to serve the employees after the changes.					
10. The communication channel is efficient to convey necessary information.					
11. Performance measurement adequately corresponds to the changes.					
12. The employees are empowered to make decisions.					
13. There are training and/or educational programs to update employees' skills.					
14. There are friendly interactions between coworkers.					
15. Coworkers have confidence in and trust each other.					

Statement	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
16. There is teamwork among coworkers in solving problems.					
17. Coworkers feel as if they are working in a cooperative environment.					
18. There is performance recognition among coworkers.					
19. Managers are anxious about losing their authority after the changes.					
20. Employees are worried about losing their job after the changes.					
21. There is skepticism among employees about the results of the projects.					
22. Employees feel uncomfortable with the new environment.					

C. Rank from 1 to 5 the five factors listed below according to the importance you attach to each for any BPR project to succeed, where 5 means the most important and 1 the least important, then fill the ensuing gaps.

Factors	Rank
1. Visionary and competent leadership is key	
2. Management support to accommodate changes introduced and proper structures are necessary.	
3. Top management commitment is necessary for successful BPR implementation.	

Factors	Rank
4. A good working environment that promotes teamwork and confidence for all must be created.	
5. Organisation culture change must be instilled to minimize employee resistance	

- i) Explain why you feel the first three human factors as per your ranking are the most important factors for successful implementation of BPR.
-
-
- ii) Explain why you feel the last two factors as per your ranking are the least important factors for successful implementation of BPR.
-
-
- iii) Are there other human factors not covered above you feel are necessary for successful BPR implementation?
-
-
-

End of the questionnaire