


# *The Impact of Business Process Reengineering Implementation on the Human Resource Dimension: A Preliminary Assessment Based on the Experiences of Selected Public Institutions*

*Research Project submitted to the School of Graduate Studies of AAU in Partial Fulfillment of the requirements for the Degree of Master of Business Administration (MBA)*

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# The impact of Business Process Reengineering Implementation on the Human Resource Dimensions: A Preliminary Assessment Based on the Experience of Selected Public Institutions.

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# Declaration

I, undersigned, declare that the work entitled **"The Impact of Business Process Reengineering Implementation on the Human Resource Dimensions: A Preliminary Assessment Based on the Experience of Selected Public Institution"**, is the outcome of my own effort and study and that all sources of materials used for the study have been acknowledged. I have produced it independently except for the guidance and suggestion of my Research Advisor.

This study has not been submitted for any degree in this University or any other University. It is offered for the partial fulfillment of the Degree of Master of Business Administration [MBA]

By: Abdurazak Ziad
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## Letter of Certification

*This is to certify that* ***Abdurazak  Ziad*** *has carried out this project work on the topic "****The Impact of Business Process Reengineering Implementation on the Human Resource Dimension: A Preliminary Assessment Based on the Experiences of Selected Public Institutions****"* under may supervision. This work is original and suitable for the submission in partial fulfillment of the requirement for the award of Master of Business Administration (MBA)

Professor Tigineh Mersha

Signature_____

Date_____

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## Acronyms

| | |
|---|---|
| BPR | Business Process Reengineering |
| ITCs | Information Technology Communications |
| MOCB | Ministry of Capacity Building |
| MOE | Ministry of Education |
| MOTI | Ministry of Trade and Industry |
| ECSC | Ethiopian Civil Service College |
| HR | Human Resource |
| MBA | Master of Business Administration |

## *Abstract*

*This study is about the preliminary assessment of the perceived impact of Business Process Reengineering implementation on the human resource dimensions in selected public institutions. It is a survey research. The target population of the study was the employees of the selected institutions, namely Ministry of Capacity Building (MOCB) Ministry of Education (MOE), Ministry of Trade and Industry (MOTI) and Ethiopian Civil Service College (ECSC). A sample size of 70 out of 700 employees was taken. The relevant data was collected through survey questionnaire and random sampling technique was employed when distributing the survey questionnaires.*

*Out of the 70 questionnaires distributed to the randomly selected employees, 55 were properly completed and returned. This represents a response rate of approximately 78.6% from the distributed questionnaires. The data was analyzed by using descriptive statistics and inferences were made accordingly.*

*Major findings revealed that the impact of BPR implementation in the selected organizations was negative in most core human resource dimensions (i.e. reward, promotion, work life, etc,), except empowerment and career development. Some recommendations that might enable BPR to be a reliable vehicle in the process of achieving effectiveness and efficiency in public institutions in the long run are presented.*

# Chapter One

# Introduction

## 1.1 Background

In general, the concept of Business Process Reengineering is an American idea and began as a private sector technique to help organizations to fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational cost and become world class competitors. A key stimulus for reengineering has been the continuing development and deployment of sophisticated information systems and networks. BPR is the fundamental reconsideration and radical redesign of organizational process in order to achieve drastic improvement in current performance of cost, service and speed (Hammer 1990, Davenport, T and Short, J. 1990; Hammer and Champy, 1993). They argued that most of the work being done does not add any value for customers and this work should be removed, not accelerated through automation. Instead, organizations should reconsider their processes so as to maximize customer value, while minimizing the consumption of resources required for delivering their products or services.

The focus of this study is to examine what exactly BPR is in the Ethiopian context. As soon as the current government came to power, it started rigorous reforms in three fronts: economic, political and constitutional reforms. The question was whether Ethiopia has a bureaucracy that is capable of carrying out those reforms or not. The government employed domestic and foreign consultants to study the capacity and effectiveness of the bureaucracy. The consultants identified that Ethiopia's bureaucracy was characterized by:

- A very hierarchical structure with many none-value adding works/positions/staff
- Nepotism, lack of transparency and accountability
- Lack of leadership capacity
- Input based and not output based i.e. output not measured.

(Source: Assefa, B, 2009, a short note on BPR in Ethiopia)

The government recognized that it was difficult to undertake reforms with this bureaucracy. The consultants recommended the establishment of new institutions, for instance, the Ministry of Capacity Building with the mandate of undertaking reforms in all public institutions esp. Education and the Civil Service. Overtime, it was believed that an important condition to undertake the reforms was to implement BPR. It was believed that BPR would help solve the problems of hierarchical bureaucracy by eliminating many non-value adding works/positions, nepotism, etc. BPR is currently under implementation in most public institutions. The reason why the Ethiopian government adopted BPR was that the existing system had to be completely changed and redesigned and BPR can do this task. Prior to the implementation of BPR I had witnessed, as fellow citizen, that most services delivered by the public institutions were characterized by the following:

- Time consuming
- Costly (high transportation cost)
- Not responsive to customer needs (many complaints, questions, comments, etc., from customers but no response)
- Not dynamic (the world is changing but our public institutions are stagnant)
- Incompetent (not up to the needs of customers)

For that matter, the above listed issues were what most people noticed too, before the implementation of BPR in public institutions.

People have choices when they buy products from private firms. However, they do not have such choices when they use government services, even though it was their democratic right to get appropriate and satisfactory services from public institutions.

## 1.2 Statement of the Problem

As a result of the implementation of BPR in Ethiopia, it is claimed that many inefficient practices in public agencies were identified and many non-value adding processes were eliminated (Richard & Getachew, 2006). For example, it was found that deputy heads of departments were actually doing nothing (Assefa, B, 2009). The implementation of BPR has apparently brought significant satisfaction to the clients. For example, they are getting public services in one place at low cost because of getting rid of the lengthy process involved.

Though BPR has reduced the amount of time it takes for users to receive services thereby reducing the potential for corruption which has benefited external customers. However, some argue that the attention paid to internal customers (human resources) of public institutions is not adequate compared to that of external customers in the BPR implementation process. If indeed this is true it can have serious adverse impact in the long run.

The human capital represents one of the organizations' valuable assets. In addition, organizations do not own people, as they do physical and capital assets. Therefore, in the absence of giving proper attention to decisions pertaining to human resource issues the implementation of BPR could be a futile exercise and may not be sustained for a long period. For instance, it may create employee withdrawals, anxiety and loss of productivity throughout the organization. Therefore, the more BPR is reconciled with the organization's human resource needs at all levels, the wider the possibilities of its success and sustainability in the long run.

This paper provides a preliminary assessment of the impact of BPR on the human resources of four public agencies in Ethiopia that implemented BPR. The paper focuses on four human resource dimensions; namely compensation, performance appraisal, career development, employee mobility (promotion, transfer,) and employee empowerment.

## 1.3 Purpose of the Study

The specific purposes of the study are to assess:

- The perceived effect of BPR on employee compensation in the Ministry of Capacity Building (MOCB) Ministry of Education (MOE), Ministry of Trade and Industry (MOTI) & Ethiopian Civil Service College (ECSC).
- The perceived impact of BPR on employee career development in these agencies
- The perceived effectiveness of performance appraisal mechanisms used in organizations where BPR is implemented.
- The perception of employees on mobility (promotion, transfer…) after BPR implementation

- The role of BPR on empowering employees
- The work environment created after BPR implementation.

## 1.4 Significance of the Study

The implementation of BPR is a national initiative and it has knocked the door of every public institution at all levels recently even though it is not yet implemented in the private sector. To this end, the human resources of institutions play a key role in any dramatic change such as the implementation of BPR and its sustainability. Therefore, I would argue that the result of this preliminary study

- Will help those institutions that already implemented BPR to reconsider their human resources dimension
- Will enable us to observe how much, if any, the implementation of BPR altered the existing human resource dimensions.
- It will serve as a benchmark to those institutions that did not fully implement BPR, as far as human resources are concerned.
- It will pave the way for further research in this area.

## 1.5 Research Questions

The general research question for this study was:

- Is there a significant impact on human resource dimensions due to BPR implementation?

Some of the specific research questions that the study will answer include the following:

- How is performance of employees appraised under BPR implementation?
- Does BPR implementation strengthen employees' empowerment?
- What are the attitudes of employees on compensation schemes in organizations where BPR is implemented?
- Does BPR restrict the employee mobility (promotion, transfer) decisions?
- How is employees' career managed under BPR?
- How do the employees perceive the changes created after BPR?

## 1.6 Methodology

### *1.6.1 Population and sampling*

The target population of the study was the permanent employees of four selected government institution namely, Ministry of Capacity Building (MOCB), Ministry of Education (MOE), Ministry of Trade and Industry (MOTI) and the Ethiopian Civil Service College (ECSC) with a total of about 700 employees in Addis Ababa. One of the criteria for the selection of these institutions for the study is that they started the full implementation of BPR at least one year ago & they are the leading institutions. According to Gay (1981), for descriptive survey research like this, a sample of 10% of the population is considered minimum while for smaller population 20% may be required. Therefore, 70 participants (10% of the population) were taken as a sample size for this survey (MOCB 16, MOE 25, MOTI 9, & ECSC 20 administrative staffs only). To select sample from each institution, sample proportionate was used (i.e. MOCB out of 160, 16 employees were taken which is calculated as **160÷700 *70**, the same procedure is used for others). As far as sampling is concerned, random sampling technique was employed when distributing the questionnaires.

### *1.6.2 Survey Instrument*

Data was collected using structured questionnaire that contains items that measures status of empowerment, perceived career development, compensation, etc.

The survey questionnaire for data collection was developed by the researcher with inputs by the academic advisor and classmates. Then after incorporating constructive comments, the revised questionnaire was distributed to the respondents.

Out of the 70 questionnaires distributed to the randomly selected employees, 55 were properly completed and returned. This represents a response rate of approximately 78.6% from the distributed questionnaires. In addition to the questionnaire the researcher also tried to review related literature on the issue, observed the working environment created due to BPR.

### 1.6.3 *Procedure*

The questionnaires were administered with the help of personnel managers of each institution. For that matter, they only provided the researcher general assistance, but were not involved in conducting the survey. Respondents were assured of the confidentiality of their responses and were told that completed questionnaires will be collected directly by the researcher and that no one in their organization will ever see the completed questionnaires.

To increase the response rate and encourage objective and truthful responses, envelopes were provided along with each questionnaire. In order to avoid any direct contact between the personnel departments and employees who could not complete the questionnaires when the researcher was around were asked to keep the completed questionnaires under their shelves till the researcher came back to collect them.

### *1.6.4 Analysis*

The data collected through the questionnaires was summarized and tabulated. Descriptive Statistics is used to analyze the data.

### *1.6.5 Scope and limitations*

The survey covered only the employees of the selected organizations. Besides time and budget limitations, the researcher was confronted with many reluctant respondents. Another limitation the researcher came across was due to the fact that the time for the data collection had been on the eve of the general election in the country which in turn, hindered him from reaching the respondents as planned. Hence, it lowered the study's response.

## 1.7 Organization of the study

The research project is organized as follows: Chapter one deals with the background, problems, purpose, significance, and methods of the study. Chapter two contains some theoretical background and review of literature. Analysis of the research findings is presented in Chapter three. Chapter four presents the summary of the findings, conclusion and recommendations.

Finally, the survey questionnaire that was used for the data collection is attached to this document as an appendix.

# Chapter Two:

## Literature Review

### 2.1 What is Business Process Reengineering (BPR)?

Many authors define business process reengineering in different ways. For example, (Davenport & Short, 1993, pp .27) defined as "*the analysis and design of workflows and processes within and between organizations"*. (Linden, 1994, pp.70) defined BPR as "*the critical analysis and radical redesign of existing business processes to achieve breakthrough improvement in performance measures"*. However, one of the best ways to explain the concept and principles of BPR is through the definition given by Hammer and Champy, who are one of the best-known figures in the field.

Hammer and Champy (1993, pp.32) defined BPR as:*"The fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, and speed"*

BPR calls for complete re-examination of the old practices, principles, and assumptions. For example, the non-value adding activities in the process of customer satisfaction and total performance of the organization is identified and eliminated. BPR is not full-fledged technique by itself alone cannot achieve dramatic or breakthrough improvement in performance measures. Hence, it is done with the help of leadership commitment, the power of ITCs and frontline employees' acceptance (Richard & Getachew, 2006). The BPR targets those institutions with functionally- based structures and sequentially organized process be it government or non government organization.

The point here is that, in re-engineering, substituting parallel for sequential processes perhaps, could reduce the likelihood of errors, delays, and information failing through the cracks. When each unit or department works on aspect of product or process and then passes it on the next unit.ITCs are understood to provide the technological means of running in parallel tasks or process that were previously organized in series manner, the committed leadership is supposed to secures the necessary resources requirement from start to end, where front line employees

perform the new tasks with enthusiastic atmosphere. According to advocates of BPR, Re-engineering is not about improving what already exists. Rather, it is about throwing it away and starting a new one, off course, this may demand reinventing how the work is done.

The purpose of this paper was not either to support or go against the conflicting arguments about BPR .Rather it was to assess its impact on some human resource dimensions. Namely, Reword system, Performance evaluation, Empowerment, Career development, etc. Once BPR is implemented, the existing reward systems, performance evaluation systems, career management and etc may not be appropriate for the newly created work environment. According to (Hammer, and Champy, 1993, Mangurian and Cohen, 1993). Redesigned work creates different jobs which require different reward system. The existing reward systems may be in appropriate to the newly created nature of work. They argue that, the revisions in reward systems facilitate changes in working practice.

This helps ensure that reward systems push staff towards working in the new way rather than pull staff back to the old way. Hence, some argue that, reward changes may occur too slowly compared to speed of process redesign and implementation and this perhaps might result in hampering organizational performance for that matter.

**2.2 What Business Process Reengineering (BPR) is not**

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

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

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

When it comes to restructuring and downsizing. They are not substitute for BPR rather they could be its consequence incidentally or by default. For instance, when the nature of the work is changed, non-value adding activities are eliminated, new processes is created and automated

thereafter. So that some of the layers of the organization are reduced. For that matter, middle managers might disappear.

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

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

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

### 2.3 Approaches to BPR

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

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

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

### 2.4 BPR Implementation

Mostly, at this stage, it is supposed that there is a clearly defined "re-engineering or process redesign blue print" perhaps; the blue print may contain all the necessary information to carry out the re-engineering effort. However, it is people who carry out and people have to be convinced to perform the newly created tasks. According to (Hammer and Champy, 1993).The tremendous challenge in re-engineering is to persuade people within the organization to embrace or at least not to confront the change. Useful tools that can be used dissolve the resistance of employees against the implementation of BPR is compatible reward system. This has been acknowledged by many BPR advocates. For example, Champy (1995, p. 165) said that:

*"Reengineering insists that people no longer be paid the old way, for the time they put in as appendages to the corporate machine. Instead they must be paid for the value(s) they add to the business. Reengineering also insists . . . that payment practices can and should be used experimentally, boldly, subtly, as a management tool for change and the reinforcement of change"*

However, among others things implementation still requires; awareness, personnel adjustment and training, change management plan, empowerment, etc.

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

### 2.5 Human resource dimensions

Human resource dimensions include those things concerning the human capital in an organization. It could be hiring, promotion, employee career, compensation, empowerment, performance evaluation, etc.

The moment BPR is implemented many organizational aspects are changed. For example, organizational structure, processes, managerial practices and etc. BPR promises greater

productivity, speed, cost reduction and timely responses to customer requests (Willmott, 1994). However, the attainment of these had been pushed aside in the BPR literature claiming that whenever there is a major shift in processes, nature of the work, managerial practices, etc unless there is a compatible changes on the side of benefit schemes, performance evaluation systems and other human resource dimensions (Linden, 1994).

The wisdom here is that it is inevitable that whenever you change a process, you change the nature of the work that people do, requiring them to learn new skills and demanding new pay.

Hence, the way workers' performances are measured, paid and offer incentives must also change; people working in new ways must be managed in new ways. Prior to the implementation of BPR, employees' tasks were organized around areas of specialization, but now they work a generalist teams. The teams are linked to gather electronically and /or set in one room, so that they can perform a dozens of work in a matter of hours. But the point is whether the available compensation, degree of empowerment and other human resource decisions, in the given institution is compatible with the multi-tasks resulted from the processes redesigned. Indeed, virtually the only comment made by Hammer on the human dimension of BPR is that its demands on employees are entirely congruent with and educated (self-disciplined) work force that no longer requires close supervision. What methods are used to produce this workforce remains a mystery.

### 2.5.1 Career Development

The term career has numerous meaning. For example, it can be profession (She/he chosen a career in medicine), or stability (career in military). However, in popular usage it means advancement ("He is moving up in his career). Thus, Decenzo & Robbins, (2005, pp.224) define a career as: *"The sequence of positions, jobs, and/or occupations that one person engages in during his/her working life"*.

Other experts in the field of human resource define career as the pattern of work related experience that span the course of a person's life. In human resource management literature it is commonly agreed that, the career development is the personal activity which helps individuals plan their future careers within the organization, provided that there is conducive organizational environment in place. According to Matthis and Jackson (2008) it is the organization's task to encourage career planning by counseling and making suitable organizational structure in order to

help employees identify their career objectives and determine what they need to do to achieve them. Thus, the career objectives may motivate employees to pursue further education, training and development activities. This, in turn will provide the organization with internal pool of qualified personnel for promotion.

However, when organization redesigns its processes to achieve dramatic improvements in contemporary measures of performance such as cost quality and speed to ensure superior external customer satisfaction, the employees' career paths and ladders might perhaps collapse incidentally. Because in reengineering processes the organization might be delayer in the process of reducing the time consuming of the old processes that existed prior to BPR implementation.

### 2.5.2 Performance Appraisal

Once tasks are assigned to employees in the organization, the management of the organization is supposed to make sure that the tasks are performed as planned accordingly. This could be achieved through performance appraisal. Hence, performance appraisal is a formal system of periodic review and evaluation of an individuals' job performance (Naryan, 2007; Decenzo & Robbins, 2005)

According to Invancevic & Glueck (1989) performance appraisal serves many purposes for those organizations that conduct it. For example, it is used for wage and salary administration, employee promotion or demotion, helps to know those employees that were misplaced during placement, those need training by identifying their weakness, strength and so forth.

When it is properly done, performance appraisal provides feedback to employees about their performance and thus organizations also benefit by ensuring the employees' effort and ability to make contribution to organizational success. But if it is poorly done it leads to disappointing results for all concerned. Since, the basic purpose of performance evaluation is to make sure that employees are performing their jobs effectively.

The basic issue is how performance appraisal process should be designed, who will be responsible the evaluation process, and the appraisal technique to be employed.

As the performance appraisal literature indicates, to address the above issue, most human resource management writers approached different ways. As far as the process is concerned, some argue that the top management of the organization should establish performance standards first, then communicate the standards to the employees, then measure actual performance of the

employees, then compare it with the established performance standards and finally, take corrective actions if any. While others like Monappa & Saiyadain (2003) who argue that it is the employees themselves that should design their own performance standards and evaluate it.

The concept of Monappa & Saiyadain dates back to the framework offered by Druker[1] (i.e. Management by Objective).

When it comes to the responsibility of conducting performance evaluation, some scholars in the field argue that, effective evaluation can be done by those who have the opportunity to observe performance and the ability to translate observation into useful assessment. For example, Matths & Jackson (2008) puts the responsibility of employee performance evaluation on the shoulder of the immediate supervisors, peers, self, subordinate or combination of all. Others argue that, it is human resource department that is responsible for performance appraisal. They claim that performance appraisal is human resource activity regardless of the type of organization. However, the point is, whoever conducts the evaluation and whatever techniques (ranking, or rating scale or others), it should transparent and agreed by all whom their performances are evaluated and thereafter feedback is timely communicated.

### 2.5.3 Compensation

According to Invancevic & Glueck, (1989) compensation at least refers to salaries, wages and bonuses that are paid to employees in return to the service rendered; let alone fringe benefits that most organizations provide like allowances, insurances, medical services, recognition / prize and so forth. For an organization to attract, retain and motivate employees, most scholars in human resources argue that its compensation scheme should be equitable (both externally and internally) and compatible (Matthis & Jackson). These implies that on one hand, it should be the same or close to what other similar organizations in the industry are providing their employees and on other hand, justify the efforts exerted by the employees when performing their duties and responsibilities in the organization. The later recommends that the compensation package in place for an organization should reflect the employees' skills, capabilities, experiences, and performances.

[1] Drucker, P: *The Practice of Management* (London: Mercury Books, 1961).

Hence, organizations that fail to fix appropriate compensation scheme for their employees might perhaps; find their employees uncooperative in the process of achieving the organizational goals and objectives.

In severe cases it may cause employees to lower productivity, cause strikes, and possibly lead to forms of physical or psychological withdrawal ranging from absenteeism to increased visits to the dispensary and poor mental health. However, the point is on what bases should compensation schemes be fixed?

**Compensation philosophies**

According to Matthis and Jackson (2008) there are two basic compensation philosophies and these are Entitlement and Performance philosophies.

The two philosophies lie on opposite ends of a continuum. Hence, most compensation systems fall somewhere in between. At one end of the continuum is the entitlement philosophy; at the other end is the performance philosophy.

The entitlement approach supports the idea that once an individual got employed in the organization she/she get pay and bonus increase regardless of the quality and differences among their performances. While the performance approach acknowledges that compensation should reflect performance differences among employees. Hence, Organizations operating under this philosophy do not guarantee additional or increased compensation simply for completing another year of organizational services like the first approach.

The second philosophy supports the argument that employees are willing and cooperative to do their jobs to the best of their abilities if they believe that pay is relatively equitable to performance. When it comes to how much an employee should be paid in public institutions, it is not decided by the managers or officers, rather it is influenced many factors. For example, country's economic condition cost of living, and so forth (Invancevic & Glueck, 1989).

Despite, who ever determines, compensation influences employee decision to stay or leave the organization, to work effectively and accept additional responsibilities.

**Team-based pay**

Even though it is too early to design a full-fledged team based pay structure in practice, yet some organizations are trying to design their tasks in a way to encourage team working and wants to see reflected in their pay schemes. The team is supposed to have different expertise, knowledge,

skills and capabilities. Thus, Holbeche (1998) argues that it might be difficult to predict with precision how team base pay might work properly. Hence, individual performances among the team may vary. Therefore, they should not be equally paid. So that improving team performance cannot be left to team reward system alone.

Rather individual performance should be considered separately too, provided that the organization under consideration is following the performance based compensations philosophy.

### 2.5.4 Employee mobility (promotion, transfer)

It is a usual scenario in most organizations, that there is some sort of employee movement. For example, some employees may be promoted from jobs to other positions that are higher in pays, responsibilities and/or organizational levels provided that they deserve, while others may be transferred to other jobs either to fill vacant positions or to provide the employee with new skills and to enable him/her be a better candidate for promotion in the future.

According to (Matthis and Jackson, 2008) promotion reward individuals with status, security, and opportunity for development

The spirit of the above statement indicates that employees are less likely to leave the organization, because promotion is meant not only more status but more money and future growth as well.

However, the point is how an employee to be promoted is determined.

Previously, the eligibility for promotion in most cases was based on age and experience rather than performance (Holbeche, 1998). Nevertheless, there is argument that, the history may be different for those organizations that implemented BPR, because there is no structural promotion to look forward. The structure turned to be flatter by default and thereby it favors teamwork.

### 2.5.5 Employee empowerment

As far as empowerment is concerned, scholars in human resource management define nearly in the same way. According to Naryan (2007) empowerment refers to the degree of discretion that is given to individual employees in an organization. For example, the extent that a given worker can decide issues pertaining to his/her task, participate decision makings concerning their interests (benefit schemes, promotion and etc) and the overall organization under which they are working.

The moment employees are empowered, perhaps, they may have some control over their assigned jobs, feel ownership and identify themselves with the organization they are working for. Hence, they are likely to contribute and become cooperative enthusiastically in the process of achieving organizational goals.

However, many human resource experts believe that, the thinking behind employee empowerment is merely deception. They argue that, by offering employees the discretion to participation work related issues at more responsible level would help the organization get maximum from employees skill and expertise to maximize its interests (greater output) , but the employees view themselves as a representative of such because they are integrated. For that matter, employees forget to balance how much efforts they are supposed to exert in the production/service delivery process and the return they obtain.

### 2.6 Human Resource Related Changes due to BPR

Hammer and Champy (1993) argue that once the implement of BPR is started, there is no way that the old practices will be kept along with the new one. Hence, there should be a sort of fundamental transformation in the organization implementing the BPR in terms of its structure, processes, people, technology and etc. For example, employee working as specialist prior to BPR turned to be generalist, functional departments no more exists, it is replaced by cross-functional teams, and sequential processes were replaced with parallel process with the help of IT. In addition, managers that used to work as supervisors prior to the implementation of BPR serve now as coaches. Previously employee compensation was for skills and time spent, but now it is for results. While pay raise based on promotion and seniority so far, but now BPR acknowledges low pay plus high performance-related bonuses. Still the controlled employees prior to BPR are now supposed to be self-controlled and the existing protective organizational culture is now turned to productive organizational culture.

# CHAPTER THREE

## Data Presentation, Analysis and Interpretation

The analysis and interpretation of this study is based on the data collected from the employees of the selected government institutions, namely Ministry of Capacity building, Ministry of Education, Ministry of Trade and Industry and Ethiopian Civil Service College.

The data was collected through survey questionnaire. Out of the 70 questionnaires distributed to the randomly selected employees, 55 were properly completed and returned. This represents a response rate of approximately 78.6% from the distributed questionnaires. In addition to conducting the survey through the questionnaires, the researcher has tried to observe the physical facilities and the working environment created after BPR was implemented. Hence, data gathered were organized and analyzed in a manner that enables to answer the basic research questions raised at the beginning of the study. Responses provided by the respondents are analyzed in the following sections.

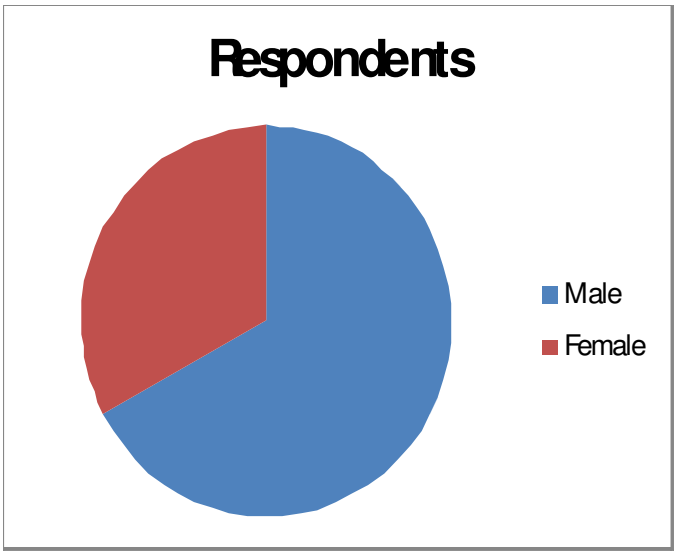



**Chart 1.Respondents' gender**

The chart gives information on the composition of the respondents in terms of sex. The reason that the researcher included this part is for example, to make sure that respondents are in appropriate mix in terms of gender. As the chart indicates, there is an appropriate mix of gender in the study. Hence, the responses to the items in the instrument are expected to be balanced.

***Table1.*Respondents' age and level of education**

| Item | | Number & Percentage of Responses | |
|---|---|---|---|
| | | Number | Percentage |
| 2.Age | 18-25 | 9 | 16% |
| | 26-40 | 29 | 53% |
| | 41-55 | 13 | 24% |
| | >55 | 4 | 7% |
| | Total | 55 | 100% |
| 3.Level of education | Certificate (secondary school comp.) | - | - |
| | Diploma | 16 | 29% |
| | Degree | 31 | 56% |
| | Masters' and above | 8 | 15% |
| | Total | 55 | 100% |

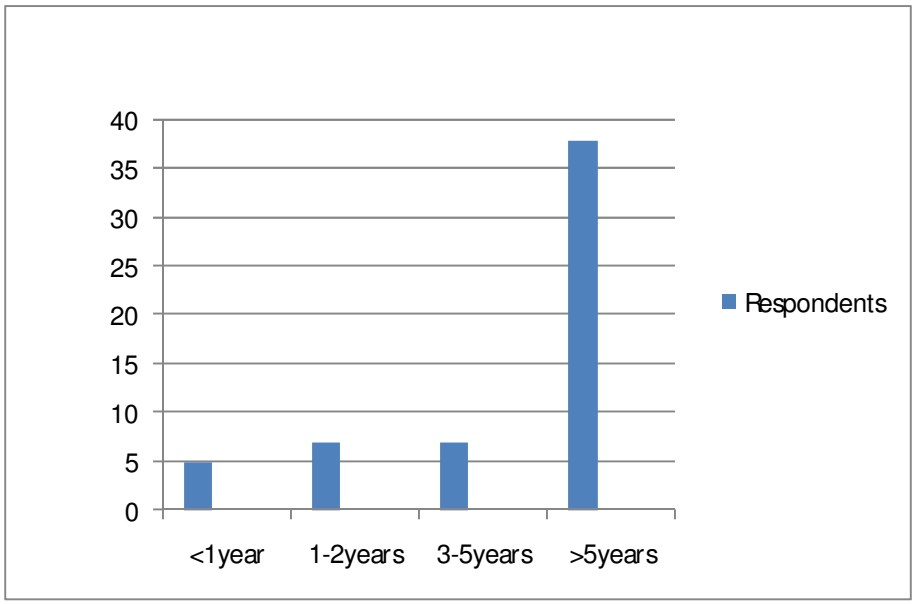
***Source:*** *Captured for the respondents of the study*

Table1 shows the demographic information of the respondents. It summarizes the respondents' age, level of education. Information on age and level of education might give the researcher a clue about employees' career and counseling requirements as well as a hint pertaining to the institutions' employees training and promotion needs.

Most respondents are in the age range 26-40 (53%) which is by and large the time that employees are more concerned about career and promotion. When it comes to the level of education, it is clear from the table that above 85% of the respondents are diploma and degree holders. This indicates that the need for training and development is there and worth considering.

Therefore, the public institutions under study are supposed to provide an effective training and development packages and/or strengthen the existing one, if any.

***Chart2.Respondents' service years***




The chart above gives information concerning the number of years an employee has been serving in the institutions concerned, this helps the researcher to understand the issue among the people pertaining to the aim of BPR. Some people, who are outside the government institutions, argue that BPR is designed to lay off employees (downsizing) in order to reduce the public institutions expenditure on employees. Hence it is clear from the chart that more than 75% of the respondents have been serving in the selected institution prior and after the implementation of BPR. Therefore, in this respect the researcher has reservation on that claim. The allegation is that the main purpose in BPR is to downsize (lay off) employees for labor cost reduction.

## Table2. Employees' of empowerment

| Item | | Number & percentage of Responses | |
|---|---|---|---|
| 1. How often does your boss/supervisor/team leader give you instructions to help you perform the task you are assigned | | Number | Percentage |
| | Always | 10 | 18% |
| | Some times | 41 | 75% |
| | Never | 4 | 7% |
| | Total | 55 | 100% |
| 2. Do you have the discretion (freedom) to solve problems that affect your work? | Yes | 29 | 53% |
| | No | 3 | 5% |
| | Yes, some times | 23 | 42% |
| | Total | 55 | 100% |
| 3. Have you ever participated in meetings with your supervisor about your work/task since your institution started the implementation of BPR? | Yes | 49 | 89% |
| | No | 6 | 11% |
| | Total | 55 | 100% |
| 4. If your response to question 3 is yes, how often is your opinion received favorably by your boss? | Always | 5 | 10% |
| | Often | 13 | 27% |
| | Sometimes | 7 | 55% |
| | Never | 38 | 8% |
| | Total | 49 | 100% |
| 5. in my institution employees are empowered to make decisions pertaining to their work | Yes, always | 6 | 11% |
| | Yes, often | 15 | 27% |
| | Yes, sometimes | 27 | 49% |
| | Never | 5 | 9% |
| | I don't know | 2 | 4% |
| | Total | 55 | 100% |

***Source:*** *Captured for the respondents of the study*

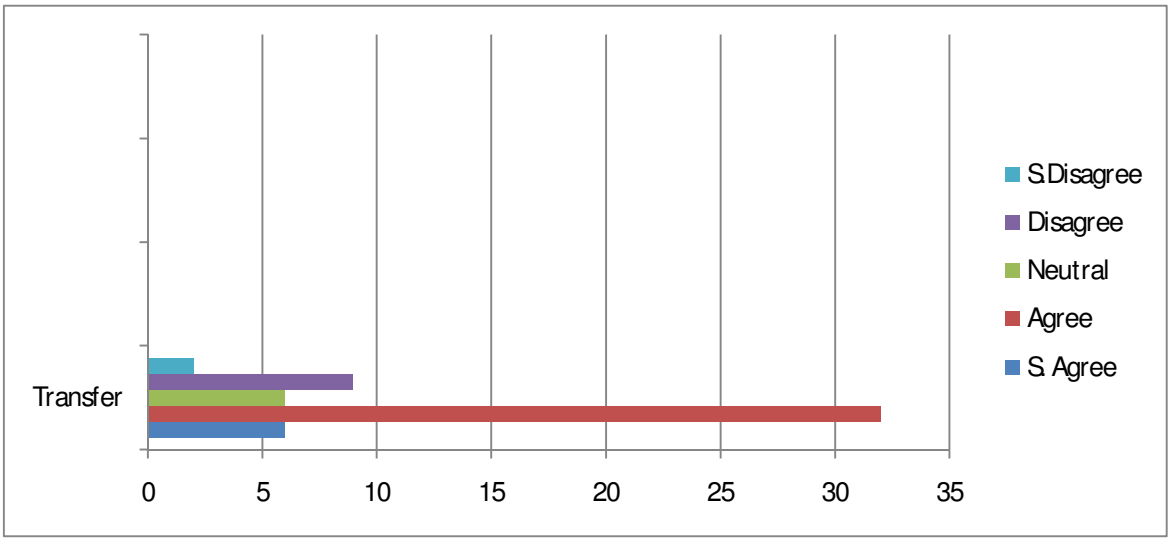
Table2 above indicates that BPR supports employees' empowerment. For example, more than 80% of the respondents made clear that they do not always seek instruction in the process of performing their assigned tasks from their boss/team leader.

In addition, 95% of the respondents stated that they have the discretion to solve problems that affect their work by themselves always and/or sometimes. This is again a sign of autonomy for employees to their tasks.

When it comes to the participation in decisions concerning the employees' tasks with their supervisors or bosses, 89% of the respondents responded that they participate at least sometimes. Out of the 49 (89%) respondents, who have participated in meetings with their supervisor, 82% responded that their opinions were received favorably by their bosses during the meeting either often or sometimes.

Therefore, based on this limited study, it can be concluded that, the implementation of BPR in public institution by and large strengthened the degree of employee empowerment. It therefore, appears that BPR has positive impact on employee empowerment.

***Chart3. Status of employees' transfer***




The above bar chart shows the status of employees transfer after BPR implementation .More than 60% of the respondents agreed or strongly agreed that just like prior to BPR implementation employees still have opportunities for transfer to other departments. This indicates that transfer

policies that were in force prior to the implementation of BPR are still used. Thus, employees are transferred from one section and/or position when needed.

**Table3. Employees' promotion**

| Item | | Number & Percentage of Responses | |
|---|---|---|---|
| 1. As you know, the implementation of BPR is underway in your institution. Do you think this will enhance your chance to be promoted to a job or position with higher payment or responsibility | | Number | Percentage |
| | Yes | 11 | 20% |
| | No | 10 | 18% |
| | Not sure | 34 | 62% |
| | Total | 55 | 100% |
| 2. If your response to question 1 is no, what do you think the reason is? Please explain? | -The intention of BPR is not to Promote | | |
| | -The focus is effectiveness and efficiency not promotion | | |
| | | | |

***Source:*** *Captured for the respondents of the study*

The above table shows that, most respondents are doubtful whether they will be promoted to higher posts in their institution as a result of BPR implementation. For instance, 62% of the respondents are not sure if BPR is going to facilitate this issue. On the other hand, around 18% of the respondents completely disagree that BPR gives a room for promotion. To support their argument they put the following reasons:

- The intension of BPR is not to support such things.
- After BPR, there is no organizational ladder to look forward to.
- BPR focuses only on efficiency and effectiveness, not on incentives.
- BPR is all about politics so it does not care about employees' issues.

Therefore, from the above responses one can learn that, most of the employees are not clear about what BPR might bring to them in the long run, except very few whom, I think, were members of the BPR teams of the institutions under study. This shows the rest of the employees

were not properly informed on their prospects about promotion to higher posts, as was the case in most public institutions prior to BPR implementation.

Despite the usual transfer which is still working in the institutions, most of the workers fear that the issue concerning promotion to higher post based on their performance will no longer be there as long as the implementation of BPR continues. For that matter, unless some other options are in place, they might not be cooperative in the long run.

**Table4. Employees' career development**

| Item | | Number & Percentage of Responses | |
|---|---|---|---|
| 1. Under BPR, how often are you given training and or/educational programs to update your skill and to plan for your future growth? | | Number | Percentage |
| | Always | 1 | 2% |
| | Some times | 33 | 60% |
| | Never | 15 | 27% |
| | Not sure | 6 | 11% |
| | Total | 55 | 100% |
| 2. BPR gives much concern to the advancement of your career development | Strongly agree | 2 | 4% |
| | Agree | 22 | 40% |
| | Neither agree nor disagree | 15 | 27% |
| | disagree | 12 | 22% |
| | Strongly disagree | 4 | 7% |
| | Total | 55 | 100% |
| 3. How often does your institution give you career counseling? | Always | - | - |
| | Sometimes | 35 | 64% |
| | Never | 20 | 36% |
| | Total | 55 | 100% |
| 4. Has BPR brought any human resource development program to your institution in order to promote your future career? | Yes | 7 | 13% |
| | No | 30 | 55% |
| | Not sure | 15 | 27% |
| | Total | 55 | 100% |

***Source:*** *Captured for the respondents of the study*

Items in Table4 above measures the degree of concern regarding employees' career issues, after BPR implementation, in the selected public institutions. The responses indicate that somehow there is a concern, particularly in the areas of skill upgrading through educational program. For example, around two-thirds of the employees (60%) responded that sometimes training to update their skills and to plan for future growth is given with little counseling.

However, most employees of the selected institution agreed that for the one year period that the implementation of BPR has been underway in their institution, they have not seen a clear career development program in place that is designed to promote their future career.

**Table5.Performance appraisal**

| Item | | Number & Percentage of Responses | |
|---|---|---|---|
| | | Number | Percentage |
| 1.The performance measurement system adequately corresponds to the change implementation under BPR | Strongly agree | 3 | 6% |
| | Agree | 17 | 31% |
| | Neither agree nor disagree | 20 | 36% |
| | Disagree | 9 | 16% |
| | Strongly disagree | 1 | 2% |
| | Not available | 5 | 9% |
| | Total | 55 | 100% |
| 2. How often does your institution appraise your job performance? | Weekly | 9 | 16% |
| | Monthly | 9 | 16% |
| | Quarterly | 9 | 16% |
| | Semi-annually | 4 | 7% |
| | Yearly | 3 | 6% |
| | Not clear | 12 | 22% |
| | Not available | 9 | 16% |
| | Total | 55 | 100% |
| 3. How promptly do you get feedback from your performance appraisal | Quickly | - | - |
| | Somewhat quickly | 19 | 36% |
| | Late | 6 | 11% |

| | | | |
|---|---|---|---|
| | Somewhat late | 5 | 9% |
| | Never gets feedback | 16 | 29% |
| | Not available | 9 | 16% |
| | Total | 55 | 100% |

**Table5 continued**

| | | | |
|---|---|---|---|
| 4. The management communicates to the employees the required performance standards in advance | Strongly agree | 3 | 6% |
| | Agree | 12 | 22% |
| | Neither agree nor disagree | 11 | 20% |
| | Disagree | 14 | 26% |
| | Strongly disagree | 6 | 11% |
| | Not available | 9 | 16% |
| | Total | 55 | 100% |
| 5. In what way performance of employees is evaluated in your institution? | Peer evaluation | 5 | 9% |
| | Self-evaluation | 4 | 7% |
| | Subordinate evaluation | 5 | 9% |
| | Supervisor/process owner | 12 | 22% |
| | Combination of the above | 16 | 29% |
| | Not available | 13 | 24% |
| | Total | 55 | 100% |
| 6. Employees are encouraged to discuss their performance evaluation results | Strongly agree | 2 | 4% |
| | Agree | 9 | 16% |
| | Neither agree nor disagree | 11 | 20% |
| | Disagree | 14 | 26% |
| | Strongly disagree | 10 | 18% |
| | Not available | 9 | 16% |
| | Total | 55 | 100% |

***Source:*** *Captured for the respondents of the study*

Table above shows a sort of fragmented responses from the respondents regarding performance appraisal. This perhaps indicates that there is no clear consensus from the respondents as far as performance appraisal mechanism is concerned after BPR is implemented in their institutions. For example, some of the respondents made clear that for the one year period that BPR implementation has been underway in their institution there was no performance evaluation conducted.

However, other respondents indicated that, there is a new performance appraisal system that is designed consistent with BPR and it is being implemented now. Hence, few of them (31%) agreed that the new appraisal mechanism corresponds to the changes pertaining to the nature of work after BPR implementation.

Concerning how the evaluation is conducted, process owners/supervisors' tasks are evaluated weekly while other employees are evaluated monthly based on performance. On the other hand, very few responded that, under BPR individual performance appraisal is shifted to departmental appraisal, so there is no more individual performance evaluation and the criteria to be used for that matter is under preparation.

Moreover, other respondents indicated that their institution is still using the old performance appraisal mechanism which lacks transparency, clarity, etc. For example, 36% of the respondents responded that they never get feedback on their performance results while more than 25% disagreed that performance standards are communicated in advance.

In addition, most of the respondents in this category indicated that evaluation is not done continuously; rather it is done when top management demands it.

Therefore, from the above responses it can be concluded that there are three aspects as far as performance appraisal is concerned. Some of the institutions do not have any performance evaluation mechanism for the BPR implementation under way. Hence, workers are simply instructed to perform the newly created jobs. However, some institutions have the performance appraisal mechanism that corresponds to the new environment created by BPR, even though, it is not yet full-fledged one. The process owners (formerly department heads) are evaluated weekly and there is no evaluation for individual employees; rather the departments they belong to is evaluated as a whole/team evaluation.

The last aspect that one can learn from the responses is that although the implementation of BPR is underway, still previous performance appraisal system is working regardless of the new work flow and the new working environment that perhaps might demand the old performance appraisal to be adjusted accordingly.

**Table6. Compensation (reward) scheme**

| Item | | Responses | |
|---|---|---|---|
| 1. Is there a reward (compensation) scheme in your institution after BPR is implemented? | | Number | Percentage |
| | Yes | 3 | 6% |
| | No | 36 | 66% |
| | Not sure | 16 | 29% |
| | Total | 55 | 100% |
| 2. The reward (compensation) system prior to BPR is still working in my institution | Strongly agree | 7 | 13% |
| | Agree | 5 | 9% |
| | Neither agree nor disagree | 17 | 31% |
| | Disagree | 14 | 26% |
| | Strongly disagree | 12 | 22% |
| | Total | 55 | 100% |
| 3. for the jobs you do, do you feel that the money you make is | Very good | | |
| | Good | 4 | 7% |
| | Adequate | 12 | 22% |
| | Inadequate | 39 | 71% |
| | Total | 55 | 100% |

***Source:*** *Captured for the respondents of the study*

The table shows that 66% of the respondents did not believe that a reward scheme existed in their institutions after BPR was implemented, while around 29% of the respondents were not sure about it. As to whether the existing reward system is still working, around 20% of the respondents agreed that it is still working. More than 25% disagreed and around 30% of the respondents were neutral about it. Perhaps, these respondents' employees hired after the implementation of BPR.

In addition, most respondents (71%) clearly indicated that for the work they perform (after BPR is implemented) and the compensation or money they receive in return is not compatible (i.e. pay is inadequate for such work). This shows no attempt was made to put in place a compatible compensation system in any of the institutions implementing BPR.

**Table7. How the employees perceived the working environment created after BPR**

| Item | | Number & Percentage of Responses | |
|---|---|---|---|
| 1.Due to implementation of BPR in my institution, the time and effort that my work/task demands is reduced | | Number | percentage |
| | Strongly agree | 1 | 2% |
| | Agree | 20 | 36% |
| | Neither agree nor disagree | 15 | 27% |
| | Disagree | 10 | 18% |
| | Strongly disagree | 10 | 18% |
| | Total | 55 | 100% |
| 2. How do you find the new jobs/posts that were created after BPR was implemented in your institution? | Boring | 9 | 16% |
| | Routine | 24 | 44% |
| | Interesting | 14 | 26% |
| | challenging | 8 | 15% |
| | Total | 55 | 100% |
| 3.employees feel comfortable with the new working environment create by BPR | Strongly agree | 1 | 2% |
| | Agree | 11 | 20% |
| | Neither agree nor disagree | 25 | 46% |
| | Disagree | 5 | 9% |
| | Strongly disagree | 6 | 11% |
| | I don't know | 6 | 11% |
| | Total | 55 | 100% |
| 4. Are you satisfied with the current organizational structure of your institution? | Yes | 13 | 24% |
| | No | 15 | 27% |
| | Not sure | 20 | 36% |
| | Some what | 7 | 13% |
| | Total | 55 | 100% |

***Source:*** *Captured for the respondents of the study*

Respondents were equally divided on the question whether the effort and time their tasks demands is reduced due to the implementation of BPR in their institutions or not, as shown in table7. About 36% of the respondents agreed that the implementation of BPR in their organization helped in reducing the time and effort required to do their tasks. The other 36% of the respondents disagree that the effort and time required to perform their work is reduced after BPR, while the remaining respondents (around 31%) kept neutral about the case.

Concerning how employees perceived the new jobs created after BPR around 44% of the respondents found it routine, 16% perceived it as boring, while 24% found it interesting and 15% said it was challenging.

This perhaps indicates that many of the frontline employees' comments were not considered or the tasks were not designed properly. It should be noted that more than two-thirds of the respondents did not appreciate the new tasks.

Moreover, respondents were mostly neutral (neither agreed nor disagreed) regarding their satisfaction with the new organizational structure created under BPR, even though the remaining respondents were equally divided on it (half and half). Hence, from this we can conclude that it is too early for average employees to perceive a new structure with which they are comfortable, since in the previous structure they were not used to work in teams and processes. In the past, people were used to be responsible only for their own jobs but now they are supposed to be familiar with a broader range of tasks for the interest of the customers.

The literature on BPR generally emphasizes that reengineering processes and human aspects have to be dealt with concurrently. For example, Reengineering insists that people no longer be paid the old way, for the time they start working with the newly designed tasks. Instead they must be paid for the value(s) they add to the business. Therefore, new reward/incentive must be started with BPR implementation. In addition, Hammer and Champy emphasized the need to stop using career advancement as a reward for performance in the current job.

This means career moves tend to be made sideways more than upwards. Hence, career now becomes more a function of the expertise and skills acquired moving across different roles. For that matter, employees transfer is possible among departments to play different roles.

# Chapter Four

## Summary, Conclusion and Recommendations

### 4.1 Summary of the findings

Most of the respondents in the sample are in the age range 26-40 (53%) which is by and large the time that employees are more concerned about career and promotion. When it comes to the level of education, above 85% of the respondents are diploma and degree holders. This indicates that the need for training and development is still worth considering. On the other hand, it is indicated that more than 75% of the respondents have been serving in the selected institution prior and after the implementation of BPR. Hence, this figure shows that BPR is not targeting employees or downsizing because most of the respondents have served the institutions more than 5years (serving prior and after BPR implementation).

***Empowerment:***

Majority of the responses indicates that BPR supports employees' empowerment. For example, more than 80% of the respondents made it clear that they do not always seek instruction in the process of performing their assigned tasks from their boss/team leader. This shows that employees become adept of what they do and they do not seek guidance from their supervisors all the time once BPR has been implemented due to the fact that BPR gave them the discretion.

In addition, 95% of the respondents indicated that they have the discretion to solve problems that affect their work by themselves. This is again a sign of autonomy for employees in performing their tasks.

When it comes to the participation in decisions concerning the employees' tasks with their supervisors or bosses, 89% of the respondents stated that they do participate. Out of the 49 (89%) respondents who have participated in meetings with their bosses, 82% responded that their opinions were often or sometimes received favorably by their bosses/process-owners during the meeting.

***Mobility (promotion and transfer)***

Most respondents were doubtful whether they will be promoted to higher posts in their institution. For instance, 62% of the respondents are not sure if BPR is going to facilitate this issue. When it comes to the status of employee transfer after BPR implementation, more than 60% of the respondents agreed or strongly agreed that just like prior to BPR, employees can still be transferred from one department to another.

***Career Development***

The responses indicate that somehow there is a concern, particularly in the areas of skill upgrading through educational program. For example, around two-thirds of the employees (60%) responded that sometimes training to update their skills and to plan for future growth is given with little counseling that was in place prior to BPR implementation.

***Performance evaluation system***

Majority of the respondents made it clear that for the one year period that BPR implementation is underway in their institution there was no performance evaluation conducted. Some of the respondents (31%) agreed that a new appraisal mechanism is in place and it corresponds to the changes pertaining to the nature of work after BPR implementation.

Some other respondents indicated that their institution is still using the old performance mechanism which lacks transparency, clarity, etc. For example, 36% of the respondents responded that they never get feedback on their performance results, more than 25% disagree that performance standards are communicated in advance. In addition, most of the respondents in this category indicated that evaluation is not done continuously; rather it is done when top management demands it.

***Compensation (reward) system***

Majority of the respondents (66%) dismissed the presence of reward schemes in their institutions after BPR is implemented, while around 29% of the respondents were not sure about it. Regarding the item that concerned whether the existing reward system is still working, around 20% of the respondents agreed that it is still working even though it consists of only salary which

by itself is low with low paid leaves. More than 25% disagreed and around 30% of the respondents were neutral about it. Perhaps, these respondents could be the employees hired after BPR implementation.

In addition, most respondents (71%) clearly indicated that for the work they perform (after BPR is implemented) and the compensation or money they receive in return is not compatible (i.e. pay is inadequate for such work).

***Perception of employees towards the new tasks and/or environment***

Respondents were equally divided on the question whether the effort and time their tasks demands is reduced due to the implementation of BPR in their institutions or not. Regarding, how employees perceived the new positions created after BPR around 44% of the respondents found it routine, 16% perceived it as boring, while 24% replied it was interesting and 15% said it was challenging. Hence, most of the employees did not appreciate the new tasks

Moreover, respondents were mostly neutral (neither agreed nor disagreed) about the organizational structure created under BPR.

## 4.2 Conclusion

According to the findings, it can be concluded that:

The impact was negative in most core human resource dimensions (i.e. reward, promotion, work life, etc),

The implementation of BPR by and large strengthened the degree of employees' empowerment in public institutions.

When it comes to career management, there is a concern somehow, particularly in the areas of skill upgrading through educational program. Hence, BPR has positive impact for that matter to these areas (.i.e. empowerment and career management)

Reengineering processes and human aspects had not been dealt with concurrently. For example, Reengineering insists that people no longer be paid the old way, for the time they start working with the newly designed tasks and evaluation should be based on team performance. However the majority of the responses show that this did not happen. For example, the work they perform (after BPR is implemented) and the compensation or money they receive in return are not compatible (i.e. the pay is inadequate for the work). This may perhaps be cost to the external customers when the service giving employees are frustrated

The new posts/jobs created after BPR implementation is routine and boring as well. Hence, this indicates that the tasks were not properly redesigned.

Moreover, most of the employees were found to be neutral (neither agreed nor disagreed) regarding the favorableness or unfavorableness of the new organizational structure created under BPR implementation.

There is no full-fledged performance evaluation mechanism that is enforced in any of the institutions as a result of the implementation of BPR.

## 4.3 Recommendations

Based on the findings and conclusions drawn from the study, the following recommendations are proposed.

- The institutions should put in place a compatible pay and reward system to enhance the success and sustainability of BPR in the long run in public institutions. This could happen perhaps by lobbying the government to approve changes in the existing reward/pay systems.
- The implementation of BPR should be carried out considering organizational and human aspect at the same time.

  Here the institutions whose implementation of BPR is underway (studied institutions) should reconsider the human aspect, while other institutions who are about to implement BPR should make sure that the relevant human dimensions were considered during the reengineering process ( particularly pay and rewards, working conditions, training, career development ,etc).
- Awareness creation about BPR should be given to employees prior to and during BPR implementation, because it is not easy to change employees' habits and attitudes at once. In addition, structured training programs should be in place, which includes topics like coaching, how to work in teams, how to analyze and solve problems, how to overcome opinion differences, etc.
- Employees must be given the opportunity for self-development (higher education) and cross-functional career development which could be possible through job rotation policy.
- Institutions or organizations, be it government or private that are planning to redesign the processes in their organizations should be careful about the mix, expertise and knowledge of their redesigning teams since the nature and quality of the new posts/jobs to be created depends on them. For example, most employees in the institutions of this study perceived the new posts/jobs created boring and routine.
- The usual Human Resource (HR) practices prior to BPR implementation should not be eliminated immediately. Adequate time for transitions for the new system should be allowed to avoid confusion and frustration.

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**Appendix**

## Addis Ababa University

## School of Business and Public Administration

## MBA: Program

### Survey Questionnaire

This questionnaire is prepared to conduct a preliminary assessment of the impact of BPR implementation on the Human Resource decision areas in your institution. The information acquired through this questionnaire will be kept confidential and it is purely for academic purpose. Therefore, I kindly request your timely and honest responses.

The researcher sincerely expresses his thanks in advance for devoting your time and energy to complete this questionnaire.

**Note:** Please note that you are not required to give your name when completing the questionnaire.

# I. Specific information

***Please, put ☑ mark in the box in front of the item of your choice***

1. How often does your boss/supervisor/ team leader give you instructions to help you perform the task you are assigned?

☐ All the time ☐ some times ☐ Never

2. Do you have the discretion (freedom) to solve problems that affect your work?

☐ Yes ☐ No ☐ Sometimes

3. Have you ever participated in meetings with your supervisor about your work/task since your institution started the implementation of BPR?

☐ Yes ☐ No

4. If your response to question 3 is yes, how often is your opinion received favorably by your boss?

☐ Always ☐ Often ☐ Sometimes ☐ Never

5. In my institution employees are empowered to make decisions pertaining to their work?

☐ Yes, always ☐ Yes, often ☐ Yes, sometimes ☐ Never

6. Due to the implementation of BPR in my institution, the time and effort that my work/task demands is reduced.

☐ Strongly agree ☐ Agree ☐ neither agree nor disagree ☐ Disagree

☐ Strongly disagree

7. How do you find the new jobs/positions that were created after BPR was implemented in your organization?

☐ Boring ☐ Routine ☐ Interesting ☐ Challenging.

8. As you know, the implementation of BPR is underway in your institution. Do you think this will enhance your chance to be promoted to a job or position with higher payment or responsibility?

☐ Yes ☐ No ☐ Not sure

9. If your response to question 8 is No, what do you think the reason is? Please explain.

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10. Prior to PBR implementation, it was common that employees are transferred from their jobs to other jobs that are equal in payment, provided that there is a need. Do you agree that this is still occurring under BPR?

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree

☐ Strongly disagree

11. What are the bases for promotion in your institution under BPR?

☐ Seniority ☐ Performance ☐ Relationship

other (please specify)----------

12. Employees feel comfortable with the new working environment created by BPR.

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree

☐ Strongly disagree ☐ I don't know

13. Under BPR, how often are you given training and/or educational programs to update your skill and to plan for your future growth?

☐ Always ☐ sometimes ☐ Never ☐ Not sure

14. BPR gives much concern to the advancement of your career development.

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree

☐ Strongly disagree

15. How often does your institution give you career counseling?

☐ Always ☐ Sometimes ☐ Never

16. Has BPR brought any human resource development program to your institution in order to promote your future career?

☐ Yes ☐ No ☐ not sure

17. Once implemented BPR provides job security for all employees under normal circumstances.

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree

☐ Strongly disagree

18. The current organizational structure of your institution promotes informal communication among the employees?

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree ☐ Strongly disagree

19. Are you satisfied with the current organizational structure of your institution?

☐ Yes ☐ No ☐ Not sure ☐ some what

20. If your response to question 19 is No, what are the reasons? (you can choose more than one)

☐ Decisions take long time ☐ unfair measurement of performances

Other specify----------.

21. The performance measurement system adequately corresponds to the change implemented under BPR.

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree

☐ Strongly disagree

22. How often does your institution appraise your job performance?( You can choose more than one)

☐ Weekly ☐ Monthly ☐ Quarterly ☐ Semi-annualy ☐ yearly.

If other (please specify)----------

23. How promptly do you get feedback from your performance appraisal

☐ Quickly ☐ Somewhat quickly ☐ Late ☐ Somewhat late

☐ Never gets feedback

24. The management communicates to the employees the required performance standards in advance.

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree

☐ Strongly disagree

25. In what way performance of employees is evaluated in your institution?

☐ Peer evaluation ☐ self-evaluation ☐ subordinate evaluation

☐ Supervisor evaluation ☐ Combinations of the above.

Other:_____

26. Employees are encouraged to discuss their performance evaluation results.

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree

☐ Strongly disagree

27. Is there a reward system (scheme) in your institution?

☐ Yes ☐ No ☐ Not sure

28. The reward system prior to BPR is still working in my institution

☐ Strongly agree ☐ Agree ☐ Neither agree nor disagree ☐ Disagree

☐ Strongly disagree

29. For the job you do, do you feel that the money you make is:

☐ Very good ☐ Good ☐ Adequate ☐ Inadequate

30. What is your satisfaction level about the reward scheme available in your institution after BPR implementation in relation

to the items in the table below? Please, put ✓ mark the column of your choice.

| **Items** | **High** | **moderate** | **low** | **Not available** |
|---|---|---|---|---|
| Salary | | | | |
| Bonus | | | | |
| Annual increments | | | | |
| Transportation allowance | | | | |
| House allowance | | | | |
| Medical service | | | | |
| Insurance | | | | |
| Paid leaves | | | | |
| Prizes and recognition | | | | |

31. As an employee, what would you suggest, so that the implementation of BPR in your institution could reflect the workers' interest in the long run?

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## II. Demographic information

***Please, put ☑ mark in the box in front of the item of your choice***

**1. Gender**

☐ Male ☐ Female

**2. Age**

☐ 18-25 ☐ 26-40 ☐ 41-55 ☐>55

3. What is your level of education?

☐ Secondary school ☐ Diploma ☐ Degree ☐ Masters' and above.

4. The number of years you have been serving this institution or other government agencies (Service years).

☐ < 1year ☐ 1-2 years ☐ 3-5 years ☐ > 5years