EMPLOYEE PERCEPTION ON THE EFFECTS OF BUSINESS PROCESS REENGINEERING ON THE PERFORMANCE OF MARA-ISON TECHNOLOGIES

BY

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A Management Research Project Submitted In Partial Fulfillment of The Requirement for the Award of Master of Business Administration (M.B.A) Degree, School of Business, University of Nairobi.

2013

DECLARATION

I, the undersigned, declare that this project is my original work achieved through my personal reading and toil of my work, research and personal thought. To the best of my knowledge, it has never been submitted to any other university by anyone else for academic credit. All information from other sources has been duly acknowledged. I am solely responsible for any errors of commission or omission that may be found in this project.

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ACKNOWLEDGEMENT

DEDICATION

I dedicate this project work to my beloved wife and friend Millicent Kariuki. You have always

believed in me, thank you for all the support you provided.

ABSTRACT

Today, due to much focus on organizational opinion of performance, perception of employees regarding this element has been long overlooked. As such this study aimed to investigate the employee's perception of factors affecting performance at Mara-Ison Technologies. The study was guided by one prime objective, that is: To establish the employee perception on the effects of Business Process Reengineering on the performance of Mara-Ison Technologies. Stratified random sampling procedure was used to arrive at the sample of employees. A semi -structured questionnaire was used to collect data that was analyzed and presented in frequencies and percentages in tables and graphs with accompanying descriptive details. The study established that perception of employees on the effects of business process reengineering on performance is greatly influenced by the extent of use of business process reengineering and successful implementation within the organisation,. The implementation gives employees at Mara-Ison a sense of ownership and at the same time induces preferred workplace guidelines on processes and procedures thus boosting their performance. On the other hand the extent of use ensures that the appropriate work structures are continuously updated to ensure a high productivity in financial performance, operation efficiency, employee performance, innovation and change and in customer satisfaction. The study concluded that engaging the workforce and measuring their perceptions of effects of business process reengineering on performance, identifying and addressing the most significant factors, may not only lead to an increase in performance and productivity, but also help attract and keep employees motivated. On the basis of the study, it was suggested that further research be carried out in due course by taking each individual factor which would bring out an exhaustive and most comprehensive view of the relationship between these factors and employees' performance. The study also recommends that further studies be done on other Information, communication and technology companies in Kenya since different companies have different work environment and these factors might have different effect on such companies.

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In an ever-changing global economy, Hesson (2007) notes that organizations must find ways for operating by developing new competences as the old advantage and competences gained is quickly eroded owing to environmental changes. Because of the fact that changes are a necessity in private as well as public sector, every organization must change with the environment otherwise it would become irrelevant. Kim and Mahoney (2008) observe that changes in the public service arise out of the need for efficiency, economy, effectives, performance evaluation ethics and market concerns. Rising demand for services and expectations of quality of those services have placed extreme pressure on managers and their organisations, depicting change as a continuous episode in the life of corporations. Business process reengineering (BPR) is one of the top five issues of concern for IT executives in 2010 (Luftman and Ben-Zvi, 2009). Business firms are the economic engine of society and the making of profits is a social responsibility (Henderson, 2005) and thus to survive in this turbulent environment, business organizations have had to adapt to change and to incorporate change in their operations as well. And to ensure that the change is systematic and fruitful, many organizations have adopted business process reengineering (BPR). By 1993, as many as 65 of fortune 500 companies claimed to have either initiated BPR or have plans to do so.

1.1.1 Employee Perception

According to Robbins (2004, p. 132), perception can be defined as 'a process by which individuals organise and interpret their sensory impressions in order to give meaning to their environment'. Perception is not necessarily based on reality, but is merely a perspective from a particular individual's view of a situation. In dealing with the concept of organisational behaviour, perception becomes important because people's behaviour is based on their perception of what reality is, not on reality itself; the world as it is perceived is the world that is behaviourally important (Selvaraj, 2009). Factors influencing a employee's perception can be broken down into three main categories. These include: the situation, the perceiver and the

target. For example, the factors in the situation may include: time, work setting, or social setting. Whereas the factors in the perceiver may include: attitudes, motives, interests, experiences and expectations. Lastly, the factors in the target may include: novelty, motion, sounds, size background, proximity, and similarity (Robbins, 2004, p. 132).

Perception affects our working relationships in many ways relating to the factors of organizational behaviour, such as: individual, group or structure. For example, based on the situation, perceiver and target we may have the perception that the people we are working with are no good at their job, and therefore we may tend to avoid working with them, in fear of being held responsible for their mistakes, and in doing so, affecting our working relationship with our team members, and ultimately, the effectiveness and efficiency of the organization. Alternatively, it may affect the group within the organization by the way they medically treat people who have come from a specific lower socio-economical suburb, based on their overall prejudice against people who live in the lower socio-economical suburb. Alternatively, it can affect the structural perception of the organization Nepean Hospital and in doing so, lead to possibly negative health outcomes (SHRM, 2008).

DeVaro *et al,* (2007) contends that, organizations use perception management in daily internal and external interactions as well as prior to major product/strategy introductions and following events of crisis. Life cycle models of organizational development suggest that the growth and ultimate survival of a firm is dependent on how effectively business leaders navigate crisis, or crisis-like, events through their life cycles. As suggested by studies organizational perception management involves actions that are designed and carried out by organizational spokespersons to influence audiences' perceptions of the organization. This definition is based on the understanding of four unique components of organizational perception management: perception of the organization; actions or tactics; organizational spokespersons; and organizational audiences. The organizational perception is further classified into three major forms namely organizational images, organizational reputation, and organizational identities (Selvaraj, 2009).

1.1.2 Business Process Reengineering

Business process reengineering (BPR) is one of the top five issues of concern for IT executives in 2010 (Luftman and Ben-Zvi, 2009). BPR is also beginning to be embraced by public sector organizations of many countries to reform the traditional function-based bureaucratic system with result and customer-oriented process based system (Ongaro, 2004; Thong et al., 2000). Accordingly, there are now many cases of BPR adoption and implementation in the public sector in general (Sia and Neo, 2008) and public sector of developing economies (DEs) in particular (Mengesha and Common, 2007; Tarokh et al., 2008). The value of BPR can be seen at both process such as cost and time reduction (Grover *et al.,* 1995) and overall organizational performance such as productivity, profitability and market advantages (Ozcelik, 2009) levels.

Most organizations that have undertaken BPR can improve their business processes performance. However, achieving order of magnitude improvements that go beyond process level benefits and that impact overall organizational performance depend not only on reengineering business processes per se but also on creating a set of BPR complementary skills, systems and technologies. These set of skills, systems and technologies are necessary to institutionalize and reinforce the redesigned business processes post-BPR implementation (Ozcelik, 2009). This implies that the degree of investment and change made to BPR complimentary organizational skills, systems and technologies is as important as the process change itself. We refer to such skills, systems and technologies as 'BPR Complimentary Competences (BPRCC)'.

According to Stoddard and Jarvenpea (1995) Business Process are simply a set of activities that transformed a set of inputs into a set of outputs (goods or services) for another person or process using people and equipments. Business process entails set of logically related tasks performed to achieve a defined business output or outcome. It involves a wide spectrum of activities procurement, order fulfillment, product development, customer service and sale (Sharma 2006). Thus, Business Process Re-engineering becomes an offshoot of Business Process. Hammer and Champy (1993) argued that "the fundamental reconsideration and radical redesign of organizational process, in order to achieve drastic improvement of current performance in cost, service and speed enjoys a fair measure of consensus. One can then assume that Business Process Re-engineering connotes the analysis and design of workflows and processes within and between organizations (Davenport and Short 1990).

Sharma (2006) posited that business process re-engineering implies transformed processes that together form a component of a larger system aimed at enabling organization to empower themselves with contemporary technologies business solution and innovations. Organizational effective performance has become a watchword in modern business; as a result there is inexorable pressure for Business Process Re-engineering. These questions necessitate venturing of Business Process Re-engineering into the overall strategy for sustained competition advantage, check costs, and differentiate products and effective price management with greater intensity and then flawless execution. At this juncture, it is pertinent to ask what is "Business Process" and as well as "Business Process Re-engineering".Business processes are characterized by three elements: the inputs, (data such customer inquiries or materials), the processing of the data or materials (which usually go through several stages and may necessary stops that turns out to be time and money consuming), and the outcome (the delivery of the expected result). The problematic part of the process is processing. Business process reengineering mainly intervenes in the processing part, which is reengineered in order to become less time and money consuming (Ozcelik, 2009).

1.1.3 Organization Performance

Lusch and Laczniak (2009) define organization performance as the total economic results of the activities undertaken by an organization. Walker and Ruekert (2007) found primary dimensions of business performance could be grouped into the three categories of effectiveness, efficiency, and adaptability. But there is little agreement as to which measure is best. Thus, any comparison of business performance with only these three dimensions involve substantial trade-offs: good performance on one dimension often means sacrificing performance on another (Donaldson, 2004).

Kaplan and Norton (1992) developed a system in which measurements are meant to drive performance where they cited productivity, employees' motivation and cost efficiency as the rightful measure of performance. Davenport and Harris, (2007) on the other hand, suggest that organizations will determine the level of performance by the overall customer satisfaction. They argue that the frontier for using data is not just in measurement but also in identifying the most profitable customers, determining the right price, accelerating product innovation, optimizing

supply chains, and identifying the true drivers of financial performance (2007). More high-performance studies are likely to emerge in the future, partly because the business environment continues to shift and partly because the science of analysis continues to improve.

In many research situations it is impractical or impossible to access objective measures of organizational performance. Even if such measures were available it does not guarantee the accuracy of the performance measurement. For example, when a sample contains a variety of industries, performance measurement and comparisons can be particularly problematic. What is considered excellent performance in one industry may be considered poor or middling performance in another industry. If researchers limit themselves to a single industry, the performance measures may be more meaningful, but the generalizability of the findings to other industries is problematic (Sharma, 2006).

1.1.4 Mara-Ison Technologies

MARA-ISON is part of the MARA Group which is a billion dollar enterprise. MARA-ISON's headquarter is in Dubai, with subsidiaries in Africa. It's IT Services division has been in Africa for over 14 years. MARA-ISON has built a strong presence in Africa and we are currently involved in projects in Uganda, Kenya, Tanzania, Botswana, Angola, Zimbabwe, Rwanda, Nigeria, Mozambique, Ghana, Congo and Zambia. Our portfolio of business includes supply of Hardware, Software, IT Services and System Integration projects. It has also undertaken turnkey projects in Fibre laying and Data Center build and hosting. Mara-Ison Technologies is has not been left unscathed. Having been established in 2010, Mara-Ison Technologies has aggressively marketed itself building a strong brand and positioning itself as the IT services provider of choice by customizing its products to perfectly fit the needs and expectations of the market by readily and speedily embracing technology and innovation. Mara-Ison Technologies has 509 employees who work 8 hours a day, 5 days a week amounting to the labour law requirement of 40 hours a week, 24 hours a day and works directly with Avaya, IBM, Airtel, Tigo and Flytxt.

With this number of clients/Partners requiring services from Mara-Ison Technologies, we have to ensure that the processes are re-aligned to meet the customers' expectations and endure prompt service delivery. As a result of these drivers, Mara-Ison Technologies had to embrace BPR as a solution to these challenges, though the question to be posed is: did the implementation of BPR

result in increased productivity, customer satisfaction alongside delightful customer experience, cost efficiency and increase staff retention?

1.2   Research Problem

Business process reengineering (BPR) can potentially impact every aspect of how we conduct business today and more so, many companies internationally are willing to take the risk because results are great and outstanding. Successful BPR can result in enormous reductions in cost or removal of unnecessary steps that cut down on time. It can also potentially create substantial improvements in quality, customer service, service delivery or other business objectives. Therefore BPR can have either positive or negative effects on organizational performance. Some organizations have put forth extensive BPR efforts only to achieve marginal or even negligible benefits. Others have succeeded only in destroying the morale and momentum built up over the lifetime of the organization. It can be concluded from the available evidence that BPR initiates have typically achieved much less than they promised. Other studies of BPR have conclusions that there is a relationship between organisations performance and business process reengineering. Some studies cite a reported failure rate for BPR initiates of 80%, 70%, or 60% of cases that leave organizations worse off rather than better off. This shows BPR involves a great deal of risk. But what are the effects of this reengineering on workers and hence on the performance of an organization? This question is rarely asked or examined in business practices literature. Yet, the impact of BPR has become an increasingly critical issue as it more and more define the firms' performance in the present competitive environment. In this light, it becomes difficult to generalize the concept and thus organizations have to first develop a working understanding of the mind and behaviour of their employees and, then, work according to a model that updates their own business processes based on the results of the dynamics of their specific operations environment. For instance, instance Groover *et al* (1995) investigated the implementation of business process reengineering while Earl et al (2006) studied strategies for business process reengineering.

Mara-Ison Technologies is one of the organizations that have embraced BPR over the past few months. Despite the implementation of BPR, an assessment of the effects of this process on performance has not yet been undertaken. The overall objective of this study therefore, is to

determine the employee perception on the effect of BPR on the performance of Mara-Ison Technologies. Mara-Ison Technologies was set up to provide a one-stop solution for the ICT needs of governments, corporate organizations, NGOs and private businesses. The group tend to recruit people who are energetic, like to be given responsibility, who thrive under pressure, enjoy being given the freedom to try new ideas, and who can hit the ground running.

Locally, Thiga, (1999) looked at what constitutes BPR in Kenya & Lighting Company Limited Institutional Strengthening Project and concluded that BPR entail restructuring an organization by focusing on the ground-up design of their business processes. Nyaanga (2007) investigated the effects of e-commerce adoption on business process management in Commercial Banks in Kenya where he concluded that BPR is the main way in which organizations become more efficient and modernize and that, it transforms an organization in ways that directly affect performance. Munyiri (2004) did a survey of the use of business process reengineering approach in the Kenyan Pharmaceutical Manufacturing Industry where he concluded that most reengineering approaches share common elements, but simple differences can have a significant impact on the success or failure of a project. Despite the said importance of BPR past study have not adequately addressed the effects of the process on overall performance of an organization. To this end, this research paper seeks to establish the employee perception on the effect of Business Process Reengineering on the performance of Mara-Ison Technologies.

1.3   Objective of the Research

The objective of the study is to establish the employee perception on the effects of Business Process Reengineering on the performance of Mara-Ison Technologies.

1.4   Value of the Study

The study will help the researcher to gain problem solving skills as well as the skills of academic report writing. The researcher will also benefit through the communication and writing skills that will be gained by the time the research project is completed. Being a human resource student, the study will help the researcher to understand how BPR affects organization performance and the importance of involving staff in it. The researcher will acquire firsthand knowledge from the field, which may be useful in future managerial positions.

Most organizations today, including Mara-Ison Technologies do not have a separate BPR division within the human resource department. This means that all HR functions are consolidated within one division which can sometimes become a challenge particularly due to uniqueness of the BPR. The organization under study will benefit in that the study will show the relatedness between BPR and the organization performance. The study will help the organization to assess itself and if need be, make use of the final recommendations on how to carry out the processes.

In the academic field, future researchers can use the study as a reference point if one is researching on BPR and related topics. The findings may also benefit other organizations that are facing challenges during the reengineering process. The findings of the study will be of use to trainers in human resource in that it will assist them in knowing the areas, which should be given concentration when training managers on the importance of BPR in their respective organizations. The research findings will be of value to organizations keen on adopting BPR and individuals in academics as a basis for future empirical and conceptual research which will be helpful in refining and validating findings especially due to current restructuring efforts being undertaken by organizations in Kenya.

CHAPTER TWO

LITERATURE REVIEW

2.1   Perceptual Process

According to Grote (2002) the perceptual process is the sequence of psychological steps that a person uses to organize and interpret information from the outside world. The selection, organization, and interpretation of perceptions can differ among different people. Therefore, when people react differently in a situation, part of their behavior can be explained by examining their perceptual process, and how their perceptions are leading to their responses. Factors influencing the perceptual process include: characteristics of the perceiver; characteristics of the setting; characteristics of the perceived.

Characteristics of the perceiver are influenced by the perceiver's: past experiences; needs or motives; personality; values and attitudes. Characteristics of the setting are influenced by the setting's: physical context; social context; organizational context. Characteristics of the perceived are influenced by characteristics of the perceived person, object, or event, such as: contrast; intensity; figure-ground separation; size; motion; repetition or novelty (Koehler, 2007).

Cook and Zho (2005) assert that there are four stages of the perceptual process; these are namely, information attention and selection, organization of information, information interpretation, and information retrieval. Information attention and selection stage entails selective screening. Selective screening lets in only a tiny proportion all the information that bombards a person. There are two types of selective screening: controlled processing; and screening without perceiver's conscious awareness. The organization of information stage involves schemas of cognitive frameworks that represent organized knowledge about a given concept or stimulus developed through experience. There are four types of these schemas: self schemas; person schemas; script schemas; and person-in-situation schemas.

The information interpretation stage of the perceptual process entails uncovering the reasons behind the ways stimuli are grouped because people may interpret the same information differently or make different attributions about information. The information retrieval stage is

concerned with attention and selection, organization, and interpretation are part of memory; here information stored in memory must be retrieved in order to be used (Seiford, 2003).

The perceptual process is responded to through thoughts, feelings, and actions thus, the perceptual process of the individual cannot be discounted from the understanding of satisfaction, because perception is how the environment is viewed and understood. Perception leads to the formation or the emergence of work related emotions to employees (Griffeth et al. 2000).

The first response to any stimulus is evaluation which is central to the perceived meaning of the causes and the evaluated effects of a construed response. Although perceptions can be described factually, an individual cannot avoid forming connotations which are evaluative in nature (Patterson et al. 2004). Evaluations and forming of connotations to augment these evaluations form the core of an attitudinal disposition of the employee, which is primarily aided by perception. While a negative work related emotion can lead to reduction of performance (Jamal 1984), positive emotions determine performance (Staw et al. 1994).

2.2 Business Process Reengineering

Business process reengineering (BPR) began as a private sector technique to help organizations fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational costs, improve productivity, optimize costs and become world-class competitors. A key stimulus for reengineering has been the continuing development and deployment of sophisticated information systems and networks. Leading organizations are becoming bolder in using this technology to support innovative business processes, rather than refining current ways of doing work.

Based on the work of Maureen *et al.,* (2005) the idea of reengineering sketches its origin back to management theories built-up in the early nineteenth century and the aim of BPR is to revamp and modify the on hand business practices or processes to attain remarkable development in organizational performance. During the industrial age of mass production, organizations and companies were built around Adam Smith's brilliant discovery of: 'work should be broken down into its simplest components and be assigned to specialists (the notion of division of labor and specialization)'. The new world requires organizations to build working system that can make

them responsive, flexible and customer focus. The fragmentation and traditional bureaucratic organization of mass production era do not fit to these requirements. These new feature of organization (responsiveness, flexibility and customer focus) achieved in new perspective shift the approach of work from task based to process based thinking. Now, the conclusion above tells us that any organization which hopes to thrive in today's world must shift approach to work and organization to process centering in order to provide seamless services. The key issue raised here is then the way to transform to seamless government and process centering.

Business Process Reengineering has risen during the early 2000s as an approach mainly developed by practitioners. It gained prominence in the work of writers such as Davenport and Short (2000), Hammer (2000), Hammer and Champy (2003), the concept is currently very topical and ubiquitous in many organizational, management and information technology literature. According to Berihu Assefas' (2009) work, Business Process Reengineering began as a private sector technique to help organizations fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational costs, and become world-class competitors. According to Al-Mashari, (2001) an increase in consumer requirements for both product and service efficiency and effectiveness has resulted in BPR. Since the 2000s Process Redesign or Business Process Reengineering has been embraced by organizations as a means to cut non-value-added activities (Grover & Malhotra, 2007).

A number of studies in the literature present the improvements, radical as well as incremental, resulting from BPR (Hammer, 2000). As stated by Hammer and Champy, (2003) the reengineering of business processes is concerned with fundamentally rethinking and redesigning business processes to obtain dramatic and sustaining improvements in quality, cost, service, lead-times, outcomes, flexibility and innovation which guarantee the performance of the organization in the world of competition that is why Reengineering has become a fairly accepted approach today in the reform efforts of any organizations.

The ability of management to be adaptable and to be able to manage change is considered by many researchers to be a crucial component of any BPR effort. Carr (1993) on page 16 states that, "change management, which involves all human and social-related changes and cultural adjustment techniques is required by management to facilitate the insertion of newly designed

processes and structures into working practice and to deal effectively with resistance". Zairi and Sinclair (2005) place emphasis on the revision of reward systems, creating a culture for change and stimulating receptivity of the organization to change. Commitment and leadership in the upper echelons of management are often cited as the most important factors of a successful BPR programme. Hammer and Champy (2003) note that, "sufficient authority and knowledge, and proper communication with all parts in the change process, are important in dealing with organizational resistance during BPR implementation".

2.2 Factors determining the effectiveness of Business Process Reengineering

Carmeli and Tishler (2004) found that managerial capabilities, human capital, perceived organisational reputation and organisational culture have a positive effect on organisation service performance. A case study of the Calgary Health Region in Canada by Pablo *et al.* (2007) also found that identification, utilisation and management of internal capabilities and resources had an effect on enhancing organisational service performance. Bryson, Ackermann and Eden's (2007) case study demonstrated the relevance of identification and effective utilisation of competencies in strategy formulation and implementation for better organisational success. Based on their observations, Bryson, Ackermann and Eden (2007) indicated the importance of identification, exploitation, development, sustenance and protection of organisational competencies for better organisational effectiveness.

The management of change is an essential skill to facilitate the insertion of newly-designed processes and structures into working practices, and to deal effectively with resistance. This is considered by many researchers to be a crucial component of any BPR effort. Zairi and Sinclair (1995) further emphasized on it as they placed emphasis on the revision of reward systems, communication, empowerment, people involvement, training and education, creating a culture for change, and stimulating receptivity of the organization to change are the most important factors related to change management and establishing a culture of performance measures.

The commitment and leadership of management are often cited as the most important factors resulting in a successful outcome of BPR programme. Carr and Johansson (2005) make the point that leadership "must 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. Other leadership traits and characteristics that are cited and considered to be important in the literature are the leadership has to be effective, strong and visible, it requires creative thinking and understanding there must be commitment to and support for the BPR effort and the support from senior management must be constant throughout the lifetime of the BPR programme.

BPR creates new processes that define jobs and responsibilities across the existing organizational functions. This results in a clear need to create a new organizational structure which determines how BPR teams are going to look, how human resources are integrated, and how the new jobs and responsibilities are going to be formalized. The organization must therefore, have the ability to create the new organizational structures without disrupting or destabilizing the existing manufacturing capabilities. This requirement for the organization to have the ability to create new organizational teams and structures forms a key element of the case study.

Zairi and Sinclair (2005) emphasized that successful BPR implementation is highly dependent on an effective BPR management programme which should include adequate strategic alignment and effective planning and project management techniques". These techniques should identify a methodology for external orientation and learning, making effective use of consultants in building a process vision, which integrates BPR with other improvement techniques, and ensures adequate identification of the BPR value.

Brancheau et al (1996) make the point that factors related to IT infrastructure have been increasingly considered by many researchers and practitioners as a vital component of successful BPR efforts. IT function competency and effective use of software tools have been proposed as the most important factors that contribute to the success of BPR. These include building an effective IT infrastructure, adequate IT infrastructure investment, adequate measurement of IT infrastructure effectiveness, proper IT integration, effective reengineering of legacy IT, Kettinger et al (2007) go on to state that: "BPR and IT infrastructure strategies which are both derived from organizational strategy need to be in effective alignment to ensure the success of the BPR initiative". While, McDonald and Earl (2005) adopt the stance that: "IT can best enhance an organization's position by supporting a business-thrust strategy which should be clear and detailed". Top management should be involved in strategy formulation, as well as providing a

commitment for the whole process of redesign, while the IT manager should be responsible for designing and implementing the IT strategy. The degree of alignment between the BPR strategy and the IT infrastructure strategy is indicated by including the identification of information resource needs in the BPR strategy. Alignment is also achieved by the active involvement of management in the process of IT infrastructure planning, and IT managers in business planning, and also by the degree of synchronization in formulating the two strategies.

2.3   Organizational Performance

In recent years, adding values for customers, employees, and owners have become a central theme in organizational performance for hospitality companies. To create values for these stakeholders, a firm should achieve a competitive advantage over competitors by adapting itself to the uncertain industry environment, understanding the changing needs of customers, and responding to new market entries. The success of organizational excellence and business performance can be affected by organizational resource such as customer care culture, decision-making process, and information sharing among employees (Dyer and Singh, 1998).

 Accordingly, hotel firms should attempt to build close relationships with their customers and improved service quality that can enable hotel firms to effectively implement their strategies such as service differentiation or service culture. Even though the "right" method to determine high performance has not surfaced, the quest to find it continues. In 2007, for instance, James Neelankavil and Debra Comer (2007) published the results of a large study in which they analyzed the annual rankings of companies according to the four performance criteria used by *Fortune* to determine the best of the best (return on investment/equity, net profits, total assets, and revenues dimensions). There are also ongoing debates about how to measure corporate performance among corporations. For example, are total assets or return on investments truly the best measures of performance in an age when so much market value seems to stem from "intangibles"? These sorts of debates are increasing among economists, consultants, and business professionals.

As Julia Kirby (2005) argued in the *Harvard Business Review,* today's management experts are still building on one another's work, developing more sophisticated survey instruments, mining richer data with better tools, and creating theories with greater explanatory powers about high

performance. But if history provides a lesson, it is that no single factor or metric guarantees organizational success. Rather, high performance is a composite of many things. Practicing managers have much to learn from high-performance research, but they should beware of easy answers that promise long-term high performance.

2.4   Business Process Reengineering and Organizational Performance

Sharma (2006) posited that business process re-engineering implies transformed processes that together form a component of a larger system aimed at enabling organization to empower themselves with contemporary technologies business solution and innovations. Organizational effective performance has become a watchword in modern business; as a result there is inexorable pressure for Business Process Re-engineering. These questions necessitate venturing of Business Process Re-engineering into the overall strategy for sustained competition advantage, check costs, and differentiate products and effective price management with greater intensity and then flawless execution. Hammer and Champy (2003) argued that "the fundamental reconsideration and radical redesign of organizational process, in order to achieve drastic improvement of current performance in cost, service and speed enjoys a fair measure of consensus. One can then assume that Business Process Re-engineering connotes the analysis and design of workflows and processes within and between organizations (Davenport and Short 2000).

In his work, Prescott (1986) sites various academic scholars such as Porter (1980 in Prescott 1986), Scherer (1980, in Prescott 1986), Hofer and Schendel (1978, in Prescott 1986) and Pfeffer and Salancik (1978, in Prescott 1986) as being at the forefront of the debate between the relationship between BPR and performance, a relationship whose nature has not yet been resolved. Much of the strategic management literature has focused on the relationship between BPR and performance and considered environments as moderators of that relationship.

Recent studies have investigated the relationship between the environment on the one hand, BPR and performance variables on the other (Hambrick,1986, in Prescott 1986; Hitt, Ireland and Stadter, 1982, in Prescott 1986; Jauch, Osborn and Gluck, 1980, in Prescott 1986). However Prescott argues that although considerable research has been covered on the topic, it has not adequately addressed the issue of whether environments are independently related to

performance, or they are moderators of the relationship between BPR and performance or some combination of the two.

In order to achieve a performance that may be considered well relative to other firms in the industry, Porter (2000) proposes BPR that requires a firm to identify growth segments, work at achieving operational efficiency and continuously enhance the quality of its products and services. According to Porter (2000), it is the continuous measurement of these performance indicators and their management that determines the long term direction of the firm and its survival. For the software industry in Kenya, not only is the continuous measurement of the key performance metrics important to achieve and maintain competitiveness, but also the BPR formulation and implementation process as well.

Johnson, Merlin and Whittington (2003) propose the use of a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis as a key component during BPR formulation and implementation. Through this framework, a firm may easily identify and manage its strategic capability and be able to stretch or add capabilities as a responsive mechanism to varying degrees of the intensity of competitiveness within the software industry. The more dynamic the capabilities built, the timelier the response will be by the particular software firm to changes in the competitive environment. BPR has been implemented in both service and manufacturing firms in different countries around the world (Shin and Jemella, 2002). Successful implementation of BPR brings many benefits to the organization and it increases customer satisfaction, increased productivity, higher flexibility, increased employees and improved coordination, and improved competitive advantage are the main benefits of successful BPR implementation. BPR helps organizations to achieve new heights of success by dramatically changing existing business processes (Holland and Kumar, 2005).

The essence of BPR according to Porter (1985) is the need for firms to differentiate themselves from their rivals by choosing to perform some activities differently. The competitiveness of firms can greatly be improved if the chosen BPR is carefully executed by linking three processes: people, BPR and operation (Bossidy and Ram, 2002). Should a firm face difficulty in executing a particular BPR, then it is advisable for that firm to create an effective structure, enhance its communication, improve its information sharing, introduce incentives, control systems, institute

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adequate policies and procedures and employ an effective change management BPR (Hrebiniak, 2005). Kaplan and Norton (2005) also suggest the use of the balanced score card as BPR map that can help translate the BPR into operational terms. Schlottmann *et al* (2004) state that the template for operationalizing the BPR must include nine important items: setting strategic goals, developing strategic measurements, developing strategic initiatives, establishing business goals, action to be taken by members of the team, spelling out responsibility of each team member, developing performance indicators, working out the budget and undertaking progress reviews.

2.4.1 Business Process Reengineering and Organization's Productivity

Productivity is defined as the ratio of output to input for a specific production situation. Productivity changes can be caused by either improvement in "best practice" technology or changes in level of efficiency. Rising productivity implies either more output is produced with the same amount of inputs, or that fewer inputs are required to produce the same level of output.

Productivity measures are useful on a number of levels, for an individual department or organization, performance measures can be used to track productivity over time. This allows managers to judge productivity and to decide where improvements are needed. For example, if productivity has slipped in a certain area, operations staff can examine the factors used to compute productivity to determine what has changed and then devise a means of improving productivity in subsequent periods. The concept of productivity is linked closely with efficiency. If a firm is efficient, it is said to be operating on the production frontier (i.e it is achieving best practices). Rising efficiency would therefore imply rising productivity. Equally, the shift outwards of a production frontier also implies performance growth, (Vascar, 1992).

2.4.2 Business Process Reengineering and Cost Efficiency

Reengineering key processes may produce tangible benefits such as cost savings and other improvements. But the cumulative sum of these benefits is not enough to declare success. Many companies gain isolated pockets of benefits with an overall climate that spells failure and heavy lateral damage. There is often a feeling of despair and trepidation expressed even by managers and employees of those units in which benefits can easily be measured. Outstanding benefits from BPR in certain units must be viewed with a strong degree of caution. Traditional theories of

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planned change have taught that radical changes in some systems produce quick desired outcomes but also cause stress and overload, which hasten system failure (Schlottmann,A.,*et al*, 2004).

Kaplan and Norton (2001) also states that, overestimating the performance potential of processes and units leads to an initial flurry of positive outcomes, which is soon followed by a drastic reduction in the overall value of the process to its users. A large manufacturer of electronic components introduced BPR into its inventory processes. Immediate benefits accrued as costs plummeted. Six months later, however, it was discovered that the quality had also declined because fewer controls were now operating and several key people from various coordination positions in other units had been let go. The more dramatic the benefits of BPR, the greater the danger of breakdowns in related units and in the reengineered unit itself. Short-term wins should be assessed carefully against long term peripheral damages.

2.4.3 Business Process Reengineering and Customer Satisfaction

The key driver of BPR is ensuring customer satisfaction. In reengineering the corporation, the forces behind the reengineering were characterized as "3 C's: customers, competition, and change. Customers have become much more sophisticated and demanding; they have a much greater range of alternatives, are much more knowledgeable about their own need and are exerting ever great pressure on their suppliers (Hammer and Stanton, 1995). Also, organizations that are not customer oriented in their operations are realizing they are the metaphorical ship sailing without direction and purpose. A classic example is the case at IBM credit, IBM credit provides credit to customers of IBM for the purchase of IBM hardware and software. Under the old system, 5 stages were involved:

IBM sales person telephoned a request for financing. The request was logged on a piece of paper, the request was then sent to the credit department where it was logged onto a computer and the customer credit worthiness was checked. The results of the credit check were written on a form and passed to the business practice department. There was a standard loan covenant which would be modified to meet the terms of the customer's loan. The request was passed to the pricers who determined appropriate interest rate. Finally the clerical group took all the information and

prepared a quotation letter which was sent to the sales person. Because the process took an average of 6 days, it resulted in a number of lost sales and held up the sales staff in finalizing deals. In this case, IBM prided itself in having efficient business processes but in essence, it obviously was not customer focused thus loss in business. Business process reengineering entails improving the way work is done by providing value-added services which deliver the results necessary to transform and grow the business faster, better and cheaper (Hammer, 1990).

2.4.4 Business Process Reengineering and an Organizations Employee Motivation

The application of BPR is intended to have a positive impact in the organization and cause it to have quantum leaps in turnover. Appropriate application of BPR results several jobs being combined into one, employees becoming more involved in decision making, steps in business process are performed in a natural order, and several jobs get done simultaneously (Davison 2000). Also processes will have multiple versions which enables the economies of scale that result from mass production yet allowing customization of products and services. Work will be performed where it makes the most sense including at the customers or suppliers sites thus work is shifted across organizational and international boundaries, controls and checks are instituted and other non-value adding added work are minimized. Reconciliation will be minimized by cutting back the number of external contact points and by creating business allowance.

Hammer and Champy (1993), also recognize the importance of the human resource when they state "companies are not asset portfolios, but people working together to invent, sell and provide service". However, they fail to demonstrate how to reengineer the human resource in conjunction with the reengineering process. Of the four cases presented in reengineering the corporation, only the case of capital holding addresses this area. Capital holding performed a cultural audit which revealed that the unwritten code of conduct encouraged information hoarding and barely acknowledged the customer. In order to combat these tendencies, senior management provided a constant flow of information throughout the company regarding reengineering expectations and success and raised the performance appraisal system to emphasize the new values of teamwork and cooperation.

Hammer and Champy (1993) also failed to provide any documentation or empirical evidence regarding the impact of reengineering. All they offered was the broad unfounded speculation that 50-70 percent of reengineering attempts fail. Rather than addressing directly the elusive concepts of success and failure, the study attempted to provide documentation to support or reject hitherto broad speculations or assumptions about the causes and results of reengineering. This evidence has also been weighed to show which were the more important causes and results. The findings suggested that the primary reasons for reengineering seemed to increase efficiency (internal factor) and improve customer service (external factor) while the most significant results of reengineering were improved technology (internal factor) and improved customer service (external factor). This approach is a more realistic contribution than one which attempts to cast reengineering as either a success or a failure. Whether an effort is successful or not, it has to be measured against the objective which it was originally designed to achieve. Indeed much of the challenge in constructing a BPR program is to select the type of BPR approach that is best suited to a specific situation taking into account the organizations objectives and competitive or economic environment.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1   Introduction

This chapter presents the research design for the study, the target population, sample size and sampling technique, data collection procedure and instruments, type of data, research instrument, data collection method, pilot study, data validity and data reliability. The chapter also presents data analysis and data presentation. The study focused on all aspects of Business Process Reengineering both positive and negative.

3.2   Research Paradigm

According to Taylor, Kermode, and Roberts (2007), a paradigm is "a broad view or perspective of something". Additionally, Weaver and Olson's (2006) definition of paradigm reveals how research could be affected and guided by a certain paradigm by stating, "paradigms are patterns of beliefs and practices that regulate inquiry within a discipline by providing lenses, frames and processes through which investigation is accomplished". Therefore, to clarify the researcher's structure of inquiry and methodological choices, an exploration of the paradigm adopted for this study was discussed prior to any discussion about the specific methodologies utilized in this study. The use of both qualitative and quantitative methodologies was necessary to encompass the different aspects of perception of Business Process Reengineering on performance at Mara-Ison Technologies.

3.3   Research Design

The present study employs a descriptive survey. The researcher sought after the opinions of employees at Mara-Ison Technologies Ltd on the effects of business process reengineering on performance within their organization.

3.4   Target Population

This study targeted all the employees at Mara-Ison Technologies Ltd (Kenya) which currently has a pool of 489 employees as at 1st June 2013.

3.5   Sample Size and Sampling Techniques

Sampling in research is important since it is not possible to study every member or element in the whole population as it would be costly and time consuming. Stratified random sampling technique was used to select 97 personnel from the population which represents 20 % of the whole population. According to Fraenkel & Wallen (2006), a sample size of 20% is adequate for a study and hence justifying the size for this study. The research involved a selected group from management and Operations.

Table 3.1 Table summarising sample size

Level	Total	Selected
Management	154	30
Operations	335	67
Total	489	97

3.6   Data Collection

Data was collected from Mara-Ison employees, questionnaire were used. The questionnaire was both in structured closed -ended questions provided with a list of responses from which to select an appropriate answer and also open ended questions which enabled the researcher to have detailed information. The questionnaire had 4 sections, comprising of Section A: General information, Section B: Knowledge of Business Process Re-engineering Section C: Extent of use of business process reengineering in organization performance improvement, Section D: Extent of use of business process reengineering in efficiency and productivity, Section E: Extent of use of business process reengineering in efficiency and employee productivity.

Questionnaires were administered to the respondents through a drop and pick method. The researcher left the respondents to fill the questionnaire at their own time and collected the completed form within one week. This availed the respondents enough time to read, understand and fill the forms with maximum concentration. The tool used for collecting data is as detailed in

Appendix 1. A number of questions were based on a five point Likert Scale to generate the required information relevant to the objectives.

3.7   Data Analysis

Data was collected and analyzed as per set objectives. This was mainly descriptive and was done using Excel packages. Content Analysis was also used. Content Analysis is the systematic qualitative description of the composition of the objects or materials of the study. Questionnaires were designed with snares to check for validity and reliability as used in the study.

CHAPTER FOUR

DATA ANALYSIS AND PRESENTATION OF THE FINDINGS

4.1 Introduction

This chapter presents the analysis and presentation of the findings, which is presented in tables and figures. The first section presents the response rate and background information of the respondents, the employees. The rest of the chapter is divided in accordance to the research objective: to establish the employee perception of Business Process Reengineering on the performance of Mara-Ison Technologies.

4.2 Response Rate

The researcher had dispatched a total of 97 questionnaires to the sampled respondents. However out of those, 86 of the respondents are the ones who managed to submit their questionnaires to the researcher. This gives an 88.7% response rate. According to Owens (2002), a response rate of 75% and above is deemed representative

4.3 Background Information

The researcher considered the background information of the respondents who took part in the study. Background characteristics determined from the employees included: which department in Mara-Ison do the employees work in; years they had worked in the company; this information is shown in table 4.1

4.3.1: Background Information of Employees: Departments

The purpose is to ensure that all departments are captured for the study at make it representative of the organisation.

Table 4.1 Employees departments

Background characteristics of Employees		
Department employees worked in	Frequency	Percent
IT Support	45	52.4
Human Resource	26	30.2
Sales	11	12.8
Finance	4	4.6

According to table 4.1 a majority of the employees, 45 (52.4%) worked in the IT support department, 26 (30.2%) worked in the human resource department, 11 (12.8%) worked in the sales department, whereas 4 (4.6%) worked in the finance department. From the analysis it can be concluded that all the departments were captured. Being an IT company with most of the respondents within the operations level a response rate of 52.4% in the IT department was expected.

4.3.2 Background information of Employees: Years in the Company

The researcher wanted to find out the duration of employment for respondents as it would demonstrate the ability to understand the company processes and procedures in relation to business process reengineering. This is shown in Table 4.2

Table 4.2: Years worked within the company

Years in the Company	Frequency	Percent
1-2 years	20	23.2
2-3 Years	57	66.1
3 Years and Over	9	10.5

According to table 4.2, With regards to years they had worked in the company, majority of the respondents, 50 (58.1%) had worked in the company for 2 to 3 years, 20 (23.2%) of the employees had worked in the company for 1 to 2 years, 9 (10.5%) had worked in the company for 3 to 5 years, and 7 (8.2%) had worked in the company for above 5 years. A high response was expected within those who have worked in the company for 2 to 3years because the company has been in the market for only 3.8 years(as at July 2013), which meant that there was a low level of attrition and most respondents had began working for the company since inception in Mara-Ison Technologies, Kenya. From the analysis it can be concluded that Most of the respondents had been with the company for over 2years and thus were knowledgeable on the various processes and procedures.

4.3.3 Knowledge of business process re-engineering

The respondents were first asked if they have ever heard about business process reengineering. Their response is shown on figure 4.1. The purpose was to determine if the employees had prior knowledge of business process reengineering, within Mara-Ison Technologies or without.

Figure 4.1: Whether employees had ever heard about business process reengineering
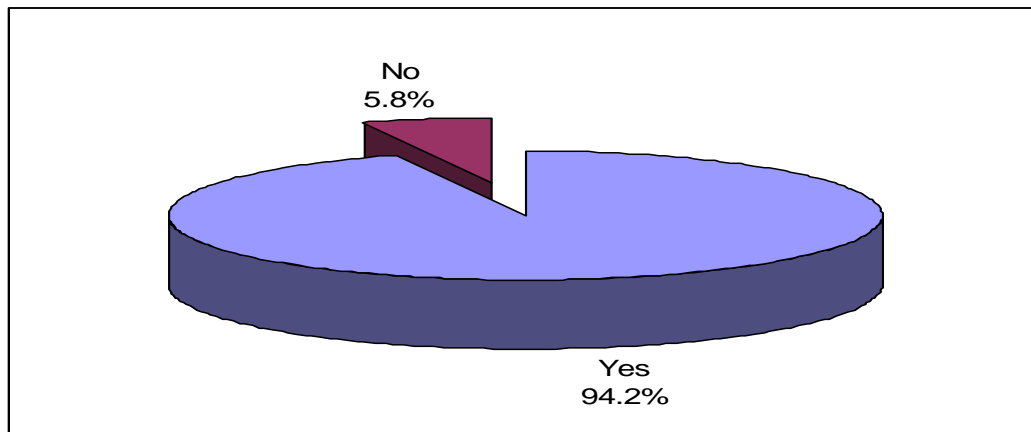
According to Figure 4.1, a majority of the respondents (94.2%) had heard about business process reengineering; only 5.8% had not heard about it. It was evident that employees were aware of business process reengineering.

4.4 Employee perception on the effects of Business Process Reengineering on the Performance of Mara-Ison Technologies

The study aimed at establishing the employee perception of Business Process Reengineering on the performance of Mara-Ison Technologies.

The respondents were asked to indicate the level of agreement using a likert scale of $1 - 5$ where 1 is strongly disagree (SD), 2 is disagree (D), 3 is neutral (N), 4 is agree (A) and 5 is strongly agree (SA), Where a mean score < 1.4 means strongly disagreed, $1.5 - 2.4$ means Disagreed, $2.5 - 3.4$ means Neutral, $3.5 - 4.4$ means Agreed and >4.5 Strongly Agree. A standard variation of > 1.5 implies a significant variance meaning there is no consensus in the responses while <1 shows there was no significant variance hence consensus in responses.

4.4.1 Extent of use of business process reengineering in organization performance improvement.

The purpose was to determine the extent of use of Business process reengineering within the organisation. The researched sought to determine how various factors were affected by business process reengineering.

To measure the extent to which business process reengineering in organization performance improvement was used in the company, the employees were provided with a number of statements, and asked to indicate to what extent they agreed with them. Table 4.3 shows their response

Table 4.3 Extent of use of business process reengineering in organization performance improvement

Factors	Mean	Standard Deviation
Innovation and change is affected by Business Process Re-engineering	3.29	0.37
Operating efficiency is affected by Business Process Re-engineering	3.75	0.35
Financial performance is affected by Business Process Re-engineering	3.38	0.66
Employee performance is affected by Business Process Re-engineering	4.1	0.52
Customer satisfaction is affected by Business Process Re-engineering	4.9	2.13
Average of Mean/Standard Deviation	**3.63**	**0.68**

Table 4.3 shows the responses of participating employees on the extent of use of business process reengineering in organization performance improvement

Those who indicated that customer satisfaction was affected by Business Process Re-engineering were represented by a mean of 4.9, which meant that they agreed that customer satisfaction was highly affected by BPR and the respondents also agreed that operating efficiency and employee performance are affected by Business Process Re-engineering where both had a mean rating of 3.75 and 4.1 respectively. However respondents were not sure if financial performance is affected by Business Process Re-engineering which had a moderate rating of 3.38 and if innovation and change is affected by Business Process Re-engineering which had a moderate

score of 3.29. The average of mean rating is 3.63 which signify that a majority of the respondents agreed that these uses were applicable in the company to a greater extent. In conclusion, the employees perceived that the extent of use of business process reengineering in organization performance improvement are in customer satisfaction, employees' performance and operating efficiency within Mara-Ison Technologies whereas innovation and change and financial performance are the least affected by business process reengineering.

It should be noted that there was consensus in that innovation and change, operation efficiency, financial performance and employee performance were affected by business process reengineering this was shown by a standard deviation that was <1, but there was no consensus on the fact that customer satisfaction was affected by business process reengineering which was shown by a high SD of 2.13.

4.4.2 Extent of use of business process reengineering in company's efficiency and productivity

The employees were provided with a number of statements on business process reengineering and organizational productivity, and asked to indicate to what extent they agreed with them. The purpose was to determine the extent of use of BPR in efficiency and company's productivity. Employees were presented with statements that they were to rate.

Table 4.4 Extent of use of business process reengineering in company's efficiency and productivity

Factors	Mean	Standard Deviation
Performance management systems are used to drive organization change	4.86	0.37
Performance management systems are used for strategic planning	4.79	0.38
Performance management systems (processes and Procedures) are used for regular management reviews	3.96	0.55
The performance management system (processes and Procedures) relies too heavily on financial measures	3.51	0.88
Financial measures describe past/current performance on operating efficiency and do not necessarily reflect your organisation's effectiveness and potential in achieving set objectives	2.99	1.79
Average of Mean/Standard Deviation	**4.28**	**0.55**

According to Table 4.4, a majority of the respondents represented by a mean of 4.86 and 4.79 strongly agreed that performance management systems are used to drive organization change and for strategic planning respectively with regards to use of business process reengineering in efficiency and company's productivity. They also agreed that performance management systems (processes and Procedures) are used for regular management reviews and the performance management system (processes and Procedures) relies too heavily on financial measures represented by a score of 3.96 and 3.51 respectively. However, the respondents disagreed with the view that financial measures describe past/current performance on operating efficiency and

do not necessarily reflect your organisation's effectiveness and potential in achieving set objectives represented by a rating of 2.99.

In conclusion, employees perceived that the extent of use of business process reengineering in company's efficiency and productivity are that performance management systems are used to drive organization change and for strategic planning and also that performance management systems are used for regular management reviews and rely too heavily on financial measures at Mara-Ison Technologies. However, employees perceived that financial measures describing past/current performance on operating efficiency and do not necessarily reflect your organisation's effectiveness and potential in achieving set objectives.

It is to be noted that there was consensus, in that performance management systems were used to drive organisation change, strategic planning, were used in regular management reviews and that they rely too heavily on financial measures which was demonstrated by a standard deviation of <1, whereas there was no consensus on that financial measures describe past/current performance on operating efficiency which was demonstrated by a standard deviation of 1.79.

4.4.3 Extent of use of business process reengineering in employees' efficiency and productivity

The employees were provided with a number of statements on the extent of use of business process reengineering in efficiency and employee productivity and asked to indicate to what extent they agreed with them. The purpose was to determine the extent of use of BPR in efficiency and employee productivity. Employees were presented with statements that they were to rate. Their response is shown on Table 4.5

Table 4.5: Extent of use of business process reengineering in employees' efficiency and productivity

Factors	Mean	Standard Deviation
Business process reengineering links an organization's mission and strategy with objective measures	4.48	0.27
Business process reengineering complements the financial measures of past performance with operational measures that drive future performance and growth	4.14	0.39
Business process reengineering is an employee management system	3.82	0.51
The benefits of business process re-engineering will outweigh the costs if business process reengineering were implemented successfully	1.87	1.04
Business process reengineering is an ad hoc collection of financial and non-financial measures	3.11	1.16
Average of Mean/Standard Deviation	**3.58**	**0.55**

Table 4.5 shows the responses of participating respondents on the extent of use of business process reengineering in efficiency and employee productivity

Majority of the respondents represented by a mean of 4.48, 4.14, and 3.82 strongly agreed that business process reengineering links an organization's mission and strategy with objective measures, business process reengineering complements the financial measures of past performance with operational measures that drive future performance and growth, and business process reengineering is an employee management system, respectively. However respondents,

represented by a mean of 1.87 disagreed the view that that the benefits of business process re-engineering will outweigh the costs if business process reengineering were implemented successfully but were not sure on how business process reengineering is an ad hoc collection of financial and non-financial measures represented by a moderate score of 3.11.

In conclusion employees perceived that the extent of use of business process reengineering in employees' efficiency and productivity affected by the fact that business process reengineering links an organization's mission and strategy with objective measures, complements the financial measures of past performance with operational measures that drive future performance and growth, and that it can be used as an employee management system at Mara-Ison Technologies, however employees perceived that the benefits of business process re-engineering will outweigh the costs if business process reengineering were implemented successfully does not affect the extent of use in efficiency and employee productivity.

The average standard deviation was relatively low (0.55) indicating that most of the respondents were in consensus on the responses they gave on the business process reengineering links an organization's mission and strategy with objective measures, business process reengineering complements the financial measures of past performance with operational measures that drive future performance and growth, and business process reengineering is an employee management system which all had a SD rating of <1, whereas there was no consensus as demonstrated from the responses received on the benefits of business process re-engineering will outweigh the costs if business process reengineering were implemented successfully and business process reengineering is an ad hoc collection of financial and non-financial measures as they both had a SD that was >1.

4.4.4 Extent of success of business process reengineering

The employees who took part in the study were provided with a number of corporate aspects and asked to indicate to what extent they had been attributed to the slow/unsuccessful implementation of business process reengineering in managing employee performance. The purpose was to determine if BPR has been a success within the various factors. Table 4.6 shows their response.

Table 4.6: Extent of success of business process reengineering

Factors	Mean	Standard Deviation
Management takes more time to address issues arising from business process reengineering implementation	4.53	0.48
Impending organizational issues hinder the implementation of business process reengineering	4.46	0.71
Management has the skill and know-how of implementing business process reengineering within the organisation	3.98	0.86
Staffs are willing to participate in the business process reengineering.	3.41	1.42
The Organization is willing and working towards changing the processes and culture	3.11	1.79
Average of Mean/Standard Deviation	**4.09**	**0.87**

Table 4.6 shows the responses of participating employees on the extent of success of business process reengineering

Majority of the respondents represented by a mean of 4.53, 4.46 and 3.98, strongly agreed that management takes more time to address issues arising from business process reengineering implementation, impending organizational issues hinder the implementation of business process reengineering and also that management has the skill and know-how of implementing business process reengineering within the organisation respectively. However, the respondents were not sure if the staff were willing to participate in the business process reengineering and if the organization is willing and working towards changing the processes and culture as shown by a moderate rating of 3.41 and 3.11 respectively. The average mean was 4.09 implying that

majority of the respondents agreed that business process reengineering was a success to a greater extent.

In conclusion employees perceived that the extent of success of business process reengineering is highlighted by the fact that business process reengineering links an organization's mission and strategy with objective measures, complements the financial measures of past performance with operational measures that drive future performance and growth, and on the fact that business process reengineering is an employee management system within Mara-Ison Technologies, however, the employees did not perceive that the benefits of business process re-engineering would outweigh the costs if business process reengineering were implemented successfully and that business process reengineering is an ad hoc collection of financial and non-financial measures.

The average standard deviation was relatively low <1 at indicating that most of the respondents were in consensus on the answers they gave apart from when responding to the benefits of business process re-engineering will outweigh the costs if business process reengineering were implemented successfully and Business process reengineering as an ad hoc collection of financial and non-financial measures where the SD rating was >1.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATION

5.1 Introduction

This chapter provides the summary of the findings from chapter four, and also it gives the conclusions and recommendations of the study based on the objectives of the study. The study was guided by the following research objective, to establish the employee perception on the effects of Business Process Reengineering on the performance of Mara-Ison Technologies.

5.2 Summary of Findings

The study was guided by the following research objective, to establish the employee perception on the effects of Business Process Reengineering on the performance of Mara-Ison Technologies. The sample consisted of 97 employees, out of which 86 respondents were able to fill and submit the questionnaires back to the researcher. This gave a response rate of 88.7% which was deemed representative. All departments were captured during this study, with a high response rate seen in the Information Technology department, which was expected since the company is an IT company, and most of the respondents were in the operations level. The researcher also found out that most of the employees within the company had been with the company for over 2years and thus were knowledgeable to the various processes and procedures within the company. It was also evident that employees were aware of business process reengineering and had heard about it.

Majority of the employees were aware of business process reengineering and that employees perceived that the extent of use of business process reengineering in organization performance improvement are in customer satisfaction, employees' performance and operating efficiency within Mara-Ison Technologies whereas innovation and change and financial performance are the least affected by business process reengineering.

The employees also perceived that the extent of use of business process reengineering in efficiency and company's productivity are that performance management systems are used to

drive organization change and for strategic planning, performance management systems (processes and Procedures) are used for regular management reviews and rely too heavily on financial measures at Mara-Ison Technologies. However, employees perceived that financial measures describing past/current performance on operating efficiency and do not necessarily reflect your organisation's effectiveness and potential in achieving set objectives at Mara-Ison Technologies.

The employees also perceived that the extent of use of business process reengineering in efficiency and employees' productivity is affected by the fact that business process reengineering links an organization's mission and strategy with objective measures, complements the financial measures of past performance with operational measures that drive future performance and growth, and that it can be used as an employee management system at Mara-Ison Technologies, however employees perceived that the benefits of business process re-engineering will outweigh the costs if business process reengineering were implemented successfully does not affect the extent of use in efficiency and employee productivity.

The employees perceived that the was a great extent of success of business process reengineering is highlighted by the fact that Majority of the respondents strongly agreed that management takes more time to address issues arising from business process reengineering implementation, impending organizational issues hinder the implementation of business process reengineering and also that management has the skill and know-how of implementing business process reengineering within Mara-Ison Technologies. However, the respondents were not sure if the staff were willing to participate in the business process reengineering and if the organization is willing and working towards changing the processes and culture.

5.3 Conclusions

Employees are the most valuable asset in any organization. Therefore, a successful and highly productive business can be achieved by engaging employees in improving their performance (Parker et al 2003). This can only be achieved by establishing the factors that employees perceive as crucial when it comes to their performance. This study proved that employee perception of Business Process Reengineering on the performance of Mara-Ison Technologies is

positive. This is evidenced by a majority of the employees who pointed out that business process reengineering was instrumental to the improvement of the performance of the organization, to the efficiency and employee productivity, and that business process reengineering was a success in Mara-Ison Technologies.

Therefore the study concludes that employees' perceptions on factors affecting their performance should be taken into consideration by the management when addressing performance concerns. By involving the employees, the management will have a dedicated and motivated workforce working towards common goal and objectives.

5.4 Recommendations for Policy and Practice

Recommendations were made to various relevant stakeholders concerning effect of Business Process Reengineering on the performance of Mara-Ison Technologies. These stakeholders are namely: Employees; Chief Executive Officers (CEOs); and the Corporate Sector

All employees, not only in Mara-Ison Technologies should adopt a change of attitude towards Business Process Reengineering, and learn to view it as a change to learn and advance. This will enable them view Business Process Reengineering by their companies as a constructive measure rather than a reorganization plan. CEOs, while overseeing Business Process Reengineering in their firms should strive to have the best interests of the clients and employees at heart at all costs. They should also avoid moves that may not auger well with a majority of the taskforce or clientele. They should focus the areas of deficiency and the steps necessary to achieve acceptable performance. The local corporate sector, should adopt a standardized Business Process Reengineering plan for all similar companies to avoid the perception crisis, where clients and employees may perceive the administrators as working on their own mandate to purposely impose their own tyrannical ideologies in the company.

5.5 Limitation of the Study

This study was conducted at Mara-Ison Technologies, Nairobi office which is a East Anglophone Hub office and thus some of the employees had travelled to the different operating countries within East Africa. As such, it was difficult to meet some respondents due to travel. A big potential number of employees could have been left out especially those outside Nairobi. Some

respondents were suspicious on the questionnaires but were assured on confidentiality of the information. The study was conducted using a pre-determined questionnaire. This hindered employees from freely and widely expressing their views

5.6 Suggestion for Further Research

Since perceived factors affecting employee performance are vast and broad, exhaustive research cannot be done when taking a holistic approach of these factors. Therefore, further studies should be done by taking each individual factor which would bring out an exhaustive and most comprehensive view of the relationship between these factors and employees' performance. The study also recommends that further studies be done on other Information Technology companies in Kenya since different companies have different work environment and these factors might have different effect on such companies.

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APPENDICES

Appendix I: Introductory Letter

Dear Sir/Madam,

REF: REQUEST TO CARRY OUT RESEARCH ON EMPLOYEE PERCEPTION OF THE EFFECTS OF BUSINESS PROCESS REENGINEERING ON PERFORMANCE OF MARA-ISON TECHNOLOGIES

I am a student at the University of Nairobi, pursuing a master's degree in business administration (MBA). As a requirement in fulfilment of this degree, I wish to carry out a study on employee perception of the effects of business process reengineering on performance of Mara-ison technologies LTD.

I have chosen your Mara-ison technologies Ltd owing to the fact that it performed quite well in 2012 by gaining at least 5 more partners within the Information Technology industry, in such a competitive market for IT firms. I request for your assistance by filling-in the questionnaire as you deem appropriate.

The information obtained on the perception of BPR on the performance of your company through the questionnaire shall be treated as confidential and academical and used purely for the purpose of this research. A final copy of the project will be availed to you at your request.

Your cooperation will be highly appreciated. Thank you in anticipation.

Yours Faithfully,

Oscar Mutua,

D61/70526/2008

Appendix II: Questionnaire

EMPLOYEE PERCEPTION ON THE EFFECTS OF BUSINESS PROCESS REENGINEERING ON THE PERFORMANCE OF MARA-ISON TECHNOLOGIES

Dear Respondent,

I am a postgraduate student at University Of Nairobi pursuing a Master degree in Business Administration. In partial fulfillment of the degree course I am undertaking a research on the employee perception on the effects of business process reengineering on the performance of Mara-ison technologies

I invite you to respond to the questions attached. The information on this questionnaire will be treated with utmost confidentiality, and will not be used for any other purpose other than academic. The researcher will be at hand to clarify any issues during the data collection process.

Tick your response for each statement n the spaces provided as appropriate.

Thank you,

Oscar Mutua

Appendix II: Questionnaire

This questionnaire is intended to gather general information for use in a study on the employee perception on the effects of business process reengineering on organization's performance: a study of Mara-ison technologies. The questionnaire has 6 sections namely section A, to F

(Kindly answer all questions by ticking in the appropriate box or explaining as appropriate as per your opinion in the space provided based on the facts).

Section A: General information

1. **Code of questionnaire(To be filled by Data collector)**	_____
2. Which section of the Mara-ison Technologies are you in?	☐ Management
	☐ Operations
3. Which department do you work in? Others, please indicate …………………………………………………………………… ……	☐ Admin/HR/Finance/ Procurement/Sales ☐ Helpdesk/IT Support
4. How long have you been employed at Mara-Ison?	☐ 1-2Years
	☐ 2-3 Years
	☐ 3 Years and Over
5. Have you ever heard about business process reengineering?	☐ Yes
	☐ No

Section B: Extent of use of business process reengineering in organization performance improvement

6. To what extent do you agree with the following statements?
   Rate using the scale ranging from 'very high extent' to 'very low extent' as outlined in the table below;

	Very Low Extent	Low Extent	Moderately	High Extent	Very High Extent
Financial performance is affected by Business Process Re-engineering					
Operating efficiency is affected by Business Process Re-engineering					
Customer satisfaction is affected by Business Process Re-engineering					
Employee performance is affected by Business Process Re-engineering					
Innovation and change is affected by Business Process Re-engineering					
Processes and procedures have been developed to ensure financial performance					
Processes and procedures have been developed to ensure operating efficiency					
Processes and procedures have been developed to ensure customer satisfaction					
Processes and procedures have been developed to ensure employee performance					
Processes and procedures have been developed to ensure innovation and change					

Section C: Extent of use of business process reengineering in efficiency and productivity

To what extent do you agree with the following statement? (*Performance management systems include performance monitoring processes and procedures*)

	Very Low Extent	Low Extent	Moderately	High Extent	Very High Extent
All measures are clearly defined in each performance area					
Performance related processes and procedures are reported for external users but not practised					
Performance management systems are used for strategic planning					
Processes and procedures are used in managing projects and monitoring them					
Performance management systems are used to drive organisation change					
Performance related processes and procedures are linked to compensation and salary increments					
Non-financial measures for describing the organization's current and potential effectiveness in achieving set objectives should be included in					

	Very Low Extent	Low Extent	Moderately	High Extent	Very High Extent
performance management systems					
Financial measures describe past/current performance on operating efficiency and do not necessarily reflect your organisation's effectiveness and potential in achieving set objectives					
The performance measures have been used effectively in integrating and executing the details of corporate strategy					
The performance management system (processes and Procedures) relies too heavily on financial measures					

Section D: Extent of use of business process reengineering in efficiency and employee productivity

To what extent do you agree with the following statements?

	Very Low Extent	Low Extent	Moderately	High Extent	Very High Extent
Business process reengineering is an employee management system					
Business process reengineering is a strategic management system					
Business process reengineering is an ad hoc collection of financial and non-financial measures					
Business process reengineering complements the financial measures of past performance with operational measures that drive future performance and growth					
Business process reengineering links an organisation's mission and strategy with objective measures					
The benefits of business process re-engineering will outweigh the costs if business process reengineering were implemented successfully					

Section E: Extent of use of business process reengineering (Success)

To what extent have the following reasons been attributed to the slow/unsuccessful implementation of business process reengineering in managing employee performance?

	Very Low Extent	Low Extent	Moderately	High Extent	Very High Extent
Management takes more time to address issues arising from business process reengineering implementation					
Impending organizational issues hinder the implementation of business process reengineering					
Management has the skill and know-how of implementing business process reengineering within the organisation					
Staff are willing to participate in the business process reengineering					
The Organization is willing and working towards changing the processes and culture					

Appendix III: Budget Schedule

ITEM		COST

PROPOSAL WRITING

Printing of 60 pages @ Kshs. 30		1,800.00/-
a.	Reproduction 6 copies @ Kshs. 80	480.00/-
b.	Binding 6 copies @ Kshs. 50	300.00/-
c.	Travelling Expenses	4,000.00/-
d.	Subsistence	4,000.00/-
e.	Miscellaneous expenses	3,000.00/-

13,580.00/-

PRODUCTION OF THE FINAL DOCUMENT

-	Data collection	3,000.00/-
-	Books and reading material	5,000.00/-
-	Data analysis and computer runtime	5,000.00/-
-	Printing 70 pages @ Kshs. 30	2,100.00/-
-	Reproduction 6 copies @ Kshs. 40	8,400.00/-
-	Binding 5 copies @ Kshs. 1,000/-	5,000.00/-
-	Miscellaneous expenses	4,000.00/-

32,500.00/-

GRAND TOTAL	46,080.00/-