

**BUSINESS PROCESS REENGINEERING (BPR) AS A TOOL FOR
STRATEGIC CHANGE AT AGRO-CHEMICAL AND FOOD
COMPANY LIMITED, KENYA**

BY:

OKUNDI ELIAKIM OLOGI

**A RESEARCH PROJECT SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF
THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION
(MBA), SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI**

NOVEMBER 2013

DECLARATION

I declare that this project is my original work and has not been presented for a degree in other University.

Sign.....

Date.....

Okundi Eliakim Ologi

D61/70321/2011

This management project report has been submitted for examination with my approval as the University Supervisor.

Sign.....

Date.....

Dr. Vincent Machuki

Lecturer, Department of Business Administration

School of Business

University of Nairobi

DEDICATION

I dedicate this work to my beloved wife Grace Leah and son Eugene Nathan.

Unless the Lord builds a house, the builders' work is useless. Unless the Lord protects a city, sentries do no good. (Psalms 127:1).

To my parents Hezron Ologi and Caren Ologi; your love, support and encouragement mean the whole world to me!

ACKNOWLEDGEMENTS

I am deeply indebted to Dr. Vincent Machuki who played the dual roles of being my lecturer and supervisor; for his guidance, patience and insightful input from the commencement of this project to its completion. I would also wish to express my appreciation to the School of Business, MBA lecturers without whose enormous contribution in class sessions, this work would have not been possible.

I am also grateful to my beloved wife, Grace. Her cooperation, encouragement, patience, understanding and prayer were invaluable attributes without which I would not have successfully completed the project.

My fellow MBA students, Denis Ncurai and Rachel Okuom, gave me great support and motivation during class sessions, group discussions and project writing. Their handwork and determination gave me the energy to push on.

I would also like to thank the entire staff of Agro-chemical and Food Company Limited, especially the senior management, who found time out of their busy schedules to interact with me during data collection by use of interview guide through detailed interviews and access to secondary data sources that enabled me come up with the research findings. I extend my appreciation to all of them.

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

TABLE OF CONTENTS

DECLARATION.....	i
DEDICATION.....	iii
ACKNOWLEDGEMENTS.....	iv
ACRONYMS AND ABBREVIATIONS.....	viii
ABSTRACT.....	ix
CHAPTER ONE: INTRODUCTION.....	1
1.1 Background of the Study.....	1
1.1.1 The Concept of Strategic Change.....	3
1.1.2 The Concept of Business Process Reengineering.....	4
1.1.3 Agro Processing Industry in Kenya.....	5
1.1.4 Agro-Chemical and Food Company Limited.....	6
1.2 Research Problem.....	8
1.3 Research Objectives.....	9
1.4 The value of the study.....	10
CHAPTER TWO: LITERATURE REVIEW.....	12
2.1 Introduction.....	12
2.2 Theoretical Underpinnings of the Study.....	12
2.3 Strategic Change.....	15
2.4 Business Process Reengineering.....	16
2.5. Application of BPR as a Tool for Strategic Change.....	18
2.6 Challenges of BPR as a Tool for Strategic Change.....	20
2.7 Measures to Mitigate the Challenges of BPR as a Tool for Strategic Change.....	23

CHAPTER THREE: RESEARCH METHODOLOGY.....	27
3.1 Introduction.....	27
3.2 Research Design.....	27
3.3 Data Collection Method.....	27
3.4 Data Analysis.....	28
CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION.....	30
4.1 Introduction.....	30
4.2 Strategic Change at Agro-Chemical and Food Company.....	30
4.2.1 Drivers of Change at Agro-Chemical and Food Company.....	31
4.2.2 Approaches to Change Management at Agro-Chemical and Food Company.....	35
4.2.3 Dimensions of Change at Agro-Chemical and Food Company.....	36
4.3 Application of BPR as a Tool for Strategic Change at Agro-Chemical and Food Company.....	38
4.4 Challenges of BPR as a Tool for Strategic Change at Agro-Chemical and Food Company.....	43
4.5 Measures put in place to Mitigate the Challenges of BPR as a Tool for Strategic Change at Agro-Chemical and Food Company.....	46
4.6 Discussion of Findings.....	49
CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	51
5.1 Introduction.....	51
5.2 Summary of Findings.....	51
5.3 Conclusion.....	52

5.4 Recommendation for Policy and Practice.....	53
5.5 Limitations of the Study.....	54
5.6 Suggestions for Further Study.....	55
REFERENCES.....	56
APPENDICES.....	64
APPENDIX 1: LETTER OF INTRODUCTION.....	64
APPENDIX 2: LETTER FROM THE UNIVERSITY.....	65
APPENDIX 3: INTERVIEW GUIDE.....	66

ACRONYMS AND ABBREVIATIONS

ACFC	Agro-Chemical and Food Company
ASDS	Agricultural Sector Development Strategy
BPR	Business Process Reengineering
CBA	Collective Bargaining Agreement
CO₂	Carbon Dioxide
ENA	Extra Neutral Alcohol (Plant)
FSMS	Food and Safety Management Systems
ISO	International Organization for Standards
IT	Information Technology
KSh	Kenya Shillings
OD	Organizational Development
OSHAS	Occupational Safety and Health Assurance System
QMS	Quality Management Systems
RD & CE	Resident Director and Chief Executive
SME	Small and Medium Enterprises
TQM	Total Quality Management

ABSTRACT

Business process reengineering as a tool for strategic change has been employed by many firms in management of their business processes. And it is against this backdrop that the study entitled “BPR as a tool for strategic change at Agro-Chemical and Food Company, Kenya” was conceived. Various aspects of strategic change and business process reengineering were delved into and laid bare. Objectively, the study sought to determine the application and challenges encountered in applying business process reengineering as a tool for strategic change at ACFC and the measures that the organization has put in place to mitigate the challenges. The research question was “How has BPR served as a tool for strategic change at Agro-Chemical and Food Company Limited, Kenya?” Both primary and secondary data which were qualitative in nature were collected and analyzed to determine the objectives of the study. Primary data was collected through administering of a set of questions to the senior management of ACFC by the use of interview guide, whereas, secondary data, was gathered by gleaning information from existing records in the company. Such documents included bulletins, service charters, strategic plans and the corporate website which were then analyzed using content analysis. The study established that business process reengineering as a tool for strategic change has been in use at Agro-Chemical and Food Company and has fronted many benefits to the company in managing its business processes. Significantly, the areas were hiring and retention of workforce, purchasing and supplies issues, customer service, manufacturing processes optimization and project planning and management. However, these were not without a number of challenges which management instituted various measures to mitigate. The study’s major limitations were the inability to cover other general concepts of strategic change and BPR, the study being a case and so could not be used for generalizations in other companies and the fact that some respondents became stingy with information, citing reprisals from management as a result of divulging sensitive information. Nonetheless, it has formed a valid and reliable instrument for gauging the application and challenges of BPR as a tool for strategic change in the agro processing industry in Kenya. And this could be instrumental to further studies which may seek to pursue related researches in other organizations and industries.

CHAPTER ONE: INTRODUCTION

1.1 Background of the Study

Strategic change is about organizational transformation. Today, corporations that anticipate change and respond quickly and responsibly to it are successful. Yet those who anticipate and invest in the future become even more successful since those who invent the game of survival are the leaders in their industry (Grover and Kettinger, 1998). Change concerns how organizations evaluate their past performance, their current position in the industry and how they can move to a future desired status (Lawrence, 1990). In the face of large scale discontinuous changes facing the world, organizations are forced to undergo major strategic orientations which involve changes in products, service markets, organizational structure and even human resource systems. This change must be managed using various ways to ensure strategic survival in the face of these environmental turbulences. Business process reengineering is one such tool which many organizations have used to implement change. It involves how business processes are redesigned and reengineered to spur the organization's growth.

This study is anchored on the theories of systems, complexity and organizational development. According to Martinelli (2001), organizations operate as systems which relate to one another and which consist of other subsystems. This relationship between organizations has an impact on how they exist and operate within their industries. Operation of such systems in the industry results in an environment that is complex and turbulent (Mason, 2007). The complexity is necessitated by various factors such as customers, suppliers, socio-politics and technology. In an attempt to survive and remain

competitive, the influence of these forces on organizations must be managed through informed decisions by managers (Hitt, 1998). This can be done through planned developments and reinforcement of organizational strategies, structures and processes aimed at improving an organization's effectiveness. Organizations that are concerned about how change affects them must have leaders who are proactive, rather than reactive. Work teams must, therefore, be effective and efficient in managing the change through reengineering and redesigning of business processes.

Agro-Chemical and Food Company has been going through a transition of change due to the constantly changing environment in which it operates. Various factors have necessitated this transition such as shrinking product market, increased competition and higher expectations from its customers. The company has realized the need to manage product quality, control operation cost and stay focused on their customers. The need for growth and the desire to attain better levels of performance in the industry have further forced the company to reengineer its business processes and discard its old ways of doing things (ACFC Strategic Plan, 2010). A number of strategies such as product diversification and expansion are currently being implemented. The manufacturing unit is also being optimized with a view to obtaining technical as well as economic efficiencies. Further, the company has formed strategic alliance with the companies upon which it depends for various inputs. For example, there has been rapport with the sugar companies that are directly providing it with raw materials (molasses). This calls for guided change management process through various tools such as business process reengineering.

1.1.1 The Concept of Strategic Change

Strategic change is defined as formulation and implementation of long term plans to attain the overall business objective (Goksoy, 2011). This means that a firm must evaluate its current status and then put in place the right strategies to enable it achieve a future desired state. This change has traditionally been viewed as actions taken by organizations to alter their internal characteristics for better fit with their external environment (Lawrence, 1990). Strategic change is an empirical observation in an organizational entity of variations in shape, quality or state over time (Van de Ven and Poole, 2002) after the deliberate introduction of new ways of thinking, acting and operating. The general aim of organizational change is an adaptation to the environment or an improvement in performance (Leana and Barry, 2000).

According to Drucker (1992), a company beset by malaise and steady deterioration suffers from something far more serious than inefficiency. Its business theory is obsolete. This means that no amount of reengineering will put the company on the right track without the right business theory. Pascale (1990) shares the same views by arguing that what was strength yesterday becomes the root of weakness today. It is common, therefore, that most managers tend to depend on what worked yesterday and refuse to let go of what worked so well in the past. Prevailing strategies become self-confirming. To avoid such traps, businesses must reinvent themselves through a spirit of inquiry and a healthy debate by encouraging the creative process of self-renewal based on constructive thinking. This process of transformation can be achieved best through business process reengineering. Strategic change, therefore, provides the basis for an organization to assess

how well it is progressing towards its overall objective. It is important for organizations to anticipate needed changes in their strategic directions and have methodologies in place for effecting the strategic changes (Amaratunga, 2002).

1.1.2 The Concept of Business Process Reengineering

Business process reengineering has been defined variously by different authors. However, all these definitions address the same theme of reengineering the business processes. According to Hammer and Champy (1993), BPR is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed. Closely related to this is the definition by Davenport (1993), which refers to BPR as the analysis and design of workflows and processes within and between organizations. This means that firms should place more emphasis on their business processes. BPR is, therefore, concerned with how organizations manage their business processes for improvement in performance. The definitions implicitly suggest that firms should concentrate on processes rather than the functions as the focus of the redesign and management of business activity. BPR is concerned with customer-orientation. Thus the outputs of business processes should not only achieve the company's objectives, but also need to satisfy customers' requirements. This simply means that business processes start and end with customers, and the value of business processes is dependent upon customers (Scott, 1995).

Business process reengineering entails reinventing processes by abolishing the old ones and finding imaginative ways of accomplishing work while designing completely and radically new processes (Goksoy, 2011). Effectively, BPR has risen as a solution for companies to improve their performances by assuring a higher quality of product at lower cost, larger added value and faster response time, thus elevating their efficiencies and gaining competitive advantage in this permanently changing and developing world.

1.1.3 Agro Processing Industry in Kenya

Agro processing industry consists of manufacturing companies that use by-products from agriculture-based firms as their source of raw materials (ACFC Strategic Plan, 2010). These are majorly molasses from sugar industries. They use such inputs to manufacture a number of products such as a range of spirits, baker's yeast and carbon dioxide that are rolled out to customers as either finished or semi-finished products. Further, according to the ACFC strategic plan (2010), the industry has enormous potential to contribute towards the national growth and development of the country. There are many players whose business activities have created an environment for stiff competition. Apart from ACFC, there is Spectre International whose operations are similar to Agro-Chemical and Food Company since it also uses molasses as its main input.

Sugar factories which are principally known for producing sugar are increasingly becoming major players in agro processing industry. This is due to the fact that they have adopted zero-waste strategy which advocates for maximizing on both the input and output resources, including by-products to ensure that none of these resources are wasted

(ASDS, 2009). To achieve this grand plan, they have started diversifying into other product lines besides their primary objective of producing sugar. Mumias Sugar Company has already started producing spirits and the other sugar companies such as South Nyanza Sugar Company, Chemelil Sugar Company and Muhoroni Sugar Company have also been encouraged by the government to think of diversifying as well. Further, the government is keen to privatize the ones that are still publicly owned to help spur their growth. The agro processing industry is, therefore, one which is open to many environmental factors that the players must understand how to manage and control in order to anchor themselves strategically. This calls for paradigm shift in management style to ensure that best practices are put into use.

1.1.4 Agro-Chemical and Food Company Limited

According to ACFC Strategic Plan (2010), Agro-Chemical and Food Company is a state corporation in the Ministry of Agriculture. It was incorporated in 1978 as a joint venture between the Government of Kenya through the Industrial and Commercial Development Corporation (ICDC) and the Agricultural Development Corporation (ADC), on one hand, and the International Investment Corporation (Mehta Group) on the other. As further stated in the strategic plan formulated for the years between 2009 and 2014 (ACFC Strategic Plan, 2010), the main objective of ACFC, during establishment, was to produce Power Alcohol (Fuel Ethanol) and Baker's Yeast from cane molasses. It faced many difficulties in marketing Power Alcohol in the initial years due to resistance by oil companies in blending it with petrol. The ACFC Strategic Plan (2010) further adds that for the first three years of starting commercial production, capacity utilization remained

as low as 30%. Sales improved subsequently and reached 75% of the plant capacity in. By the efforts of Mehta Group, export market was found in Europe between 1990 and 1991. Consequently, the company diversified its production from Power Alcohol to Industrial Alcohol and other grades of alcohol.

The company has been experiencing many challenges in the industry such as scarce raw materials, entrant of new competitors, product quality and general cost of operation. This has necessitated change at the company. The company's ability to mobilize resources and raw materials in order to expand production in response to the sector needs and for self-sustenance has been a major issue. Initially, the company operated as a monopoly (ASDS, 2009). However, over the last few years, the business environment has changed with the entry of other competitors in the local and regional markets.

The company has incorporated business process reengineering as a tool for strategic change in its operations. Many processes have been redesigned and automated; product quality and cost reduction initiatives have been major concerns for the company. In addition, the company has started a number of initiatives in product diversification as major strategies to spur its growth in agro processing industry. However, all these BPR practices have not been properly documented. It is, therefore, necessary to carry out a study with an aim of analyzing how the company has used BPR as a tool for managing its change process. The fact that these processes have not been properly documented by the company is a major impetus for the study to ensure that the BPR issues such as success

factors, failure factors as well as the challenges surrounding the use of this tool are analyzed and documented.

1.2 Research Problem

Strategic change management requires adoption of a number of tools to manage it. Business process reengineering is one such tool which many companies have put into use. Because of the challenges fronted by the forces of globalization, corporations need to formulate and implement strategies that will enable them move from their current states of obsolescence to the desired future states to gain competitive advantage. According to Dean (1996), this transition from the current to a future desired state can be achieved through tailoring the business processes to the customers' needs. Involvement in the conscious and continuous effort of creating and sustaining new customers and markets has, therefore, become the focus of all top managers.

Agro-Chemical and Food Company has had its challenges in an attempt to assert itself in the agro processing industry. Many competitors have recently sprung. For a very long time since its inception, the company has enjoyed unrivalled autonomy in the manufacture of spirits and baker's yeast. However, this is no longer the reality due to the entry of other competitors dealing in the same product lines. The company, therefore, has to adopt various initiatives such as product diversification, quality improvement, cost cutting as well as the need to automate its business processes with a view to anchoring itself strategically in the industry (ACFC Strategic Plan, 2010).

A number of studies on change management have focused more on strategic change with few on BPR as a tool for strategic change. For example, Ogada (2007) studied strategic change Management at Wrigley Company while Munyiri (2000) and Atebe (2001) did BPR at Pharmaceutical Companies and Kenya Power and Lighting Company respectively. Other studies such as Ouma (2011) and Gokskoy (2011) tackled strategic change and BPR independently without linking the two. Further, the studies have not delved much into how BPR is linked to strategic change. Focus has been generally on how implementation of strategic change through BPR can affect the overall performance of a firm. While the studies covered both strategic change and BPR, none of them tackled BPR as a tool for strategic change at Agro-Chemical and Food Company. This study, therefore, sought to find out how BPR is linked to strategic change and how it has been applied in managing change at ACFC. How has BPR served as a tool for strategic change at Agro-Chemical and Food Company Limited, Kenya?

1.3 Research Objectives

The research objectives for the study were:

- (i) Determine the application of business process reengineering as a tool for strategic change at Agro-Chemical and Food Company, Kenya.
- (ii) Establish the challenges encountered in applying BPR as a tool for strategic change at Agro-Chemical and Food Company, Kenya, and
- (iii) Determine the measures put in place to overcome the challenges of BPR as a tool for strategic change at Agro-Chemical and Food Company, Kenya.

1.4 The value of the study

Discussions and findings of the study would be important to theory development by other researchers and academicians while conducting future related studies. The theories and concepts advanced in this study would be instrumental in enhancing their background knowledge regarding strategic change and how it can be managed through BPR. Further, they would use the study as one of their referencing points.

Leadership and the management team within Agro-Chemical and Food Company would gain valuable information about the concept of BPR and strategic change as well as how the two link together. They would be able to discern clearly how the changes in the ever dynamic industry affect their business processes as well as the responses they need to put in place to enable them overcome any element of resistance to the change. Further, they would be able to identify the key success factors and techniques of BPR that serve as the recipe in generating value for their organizations. Facts gathered from the key success factors and challenges of implementing BPR as a tool for strategic change would also guide them in making sound investment decisions.

The study will be useful to business managers, entrepreneurs and investors who would use its findings to evaluate the companies who are keen on managing change through various tools such as BPR and how this managerial practice has spurred growth in the industry. From the findings, they would be able to apply BPR as a tool for strategic change in critical areas like product development and diversification, quality management, customer service, hiring and retention of workforce and management of

purchasing and supplies activities. Implementation of BPR as a tool for strategic change also presents a number of challenges which the study would help address. For example, the study showed that a number of challenges such as BPR being a fad, resistance to change, low uptake of technology, lack of proper project planning and management skills as well as lack of effective communication system. In addition, the study would also be helpful in helping business managers, entrepreneurs and investors in putting in place the right measures to overcome the challenges. Key among them would be training and developing of workforce, implementing effective communication system, revising of reward and motivation systems, top management commitment, strong leadership and proper planning and management of BPR projects.

CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter of the study reviews broadly the theoretical, conceptual and empirical aspects of BPR as a tool for strategic change. It delves into the various theories upon which the study is based. Both strategic change and BPR have been explored independently and then together by establishing the link between them. Finally, the chapter concludes with a glimpse at the challenges of BPR as a tool for strategic change at various levels of implementation and the measures put in place to mitigate the challenges.

2.2 Theoretical Underpinnings of the Study

A number of theories have been advanced regarding the nature of the change that is sweeping across organizations. These theories, among other issues, seek to establish the drivers for change, the change agents as well as the importance of this change to organizations. These theories are: systems theory, complexity theory and organizational development.

Systems theory is a concept that originated from biology, economics, and engineering. It explores principles and laws that can be applied to operations of various systems or organizations (Yoon and Kuchinke, 2005; Alter, 2007). A system is a set of two or more elements whereby, the behaviour of every element has an effect on the behaviour of the other whole; the behaviour of the elements and their effects on the whole are interdependent. While subgroups of the elements all have an effect on the behaviour of

the whole, none has an independent effect on it (Skyttner, 1996). This means that a system consists of subsystems whose inter-relationships and interdependences move toward equilibrium within the larger system (Martinelli, 2001 and Steele, 2003). Emanating from this theory is the concept of open systems which argues that any change in any elements of a system causes changes in other elements. Since organizations are open systems, changes in environmental factors can lead to turbulence in the organization in response to rapid, unexpected changes in the environmental conditions (Mason, 2007). The interaction of the system then creates an environment for change by the organization to enable it fit within the environment that is open to various internal and external manipulations. This change needs to be managed through various tools such as BPR.

Complexity refers to the measure of heterogeneity or diversity in internal and external environmental factors such as departments, customers, suppliers, socio-politics and technology (Mason, 2007). Complexity theory focuses on how parts at a micro-level in a complex system affect emergent behaviour and overall outcome at the micro-level (McElroy, 2000; McKenzie and James, 2004). It is concerned with the study of emergent order in what may be considered very disorderly systems (Steel et al., 2003). As the complexity of a system increases, the ability to understand and use information to plan and predict becomes more difficult. Over time, the increasing complexity leads to more changes within the system (Chakravarthy et al., 1997). As the system becomes more complex, making sense of it becomes more difficult and adaptation to the changing environment becomes more problematic (Mason et al., 2007). According to Rhee (2000), the characteristic structural and behavioural patterns in a complex system are due to the

interactions among the system's parts. While each part of a complex system acts according to its own best interest, collectively they cause the system to move in a certain direction, which may be hard to predict. The parts are constantly seeking to improve performance by driving the system away from equilibrium (Kauffman, 1993 and Sherif, 2006). Over time, the extensive interaction between the parts determines the behaviour of the overall system within its environment. The parts, therefore, learn from these interactions and restructure themselves to better adapt to the environment (Sullivan, 2004 and McElroy, 2000).

Organizational development, on the other hand, is a field of study that addresses change and how it affects organizations and individuals within those organizations. According to Cummings and Huse (1989), OD in a broader term refers to a system-wide application of behavioural science knowledge to the planned development and reinforcement of organizational strategies, structure, and processes for improving an organization's effectiveness. A more specific definition by Middlemist and Hitt (1988) refers to it as a systematic means for planned change that involves the entire organization and is intended to increase organizational effectiveness. From the two definitions, OD comes out as a systematic activity, an ongoing process that can help organizations deal with current and anticipated problems, putting leaders in a proactive, rather than reactive, position. Secondly, it involves planned change within an entire organization or work team. This means that a proactive stance is absolutely necessary for change to be effective; otherwise, the planned change effort will lag too far behind the need that it is intended to address.

2.3 Strategic Change

As has been stated above, strategic change can be defined as a difference in the form, quality or state over time (Van de Ven and Poole, 1995) in an organization's alignment with its external environment. This alignment entails pattern of present and planned resource deployments and environmental interactions that indicates how the organization will achieve its objectives (Lawrence, 1990). They continue to add that changes in this alignment encompass changes in the content of the firm's strategy as defined by its scope, resource deployments, competitive advantages, synergy as well as changes in external environment and organization brought about to initiate and implement changes in the content of strategy. In this regard, strategic change is sometimes referred to as strategic plan of an organization (Chakravarthy, 1997). In addition, changes in such alignment can occur at the business, corporate, and collective levels of an organization (Ogada, 2007). Notably, therefore, organizational changes that do not result in changes in the content of a firm's strategy are not included within the domain of strategic change.

Change process can be planned or emergent (Cumming, 1989). The process entails analysis of the current scenario, creation of a preferred scenario and the strategies of moving from the current scenario to the desired one. Thyagarajan and Khatibi (2004) further note that assessing the current scenario can be accomplished through a mechanism such as force-field analysis which provides the necessary forces which can facilitate the desired change and the forces that will resist and deter the change (Ginsberg et al., 1988). Creation of a preferred scenario is often accomplished through team effort in brainstorming and developing alternative futures. While the need that precipitates the

change is clearly compelling, there may be several ways in which the change could actually occur within the organization. It is, therefore, important to examine the various alternatives thoroughly.

Devising a plan for moving from the current to the preferred scenario entails the strategies and plans that managers must develop to overcome the restraining forces in an organization. This is a political process, requiring individuals to harness and utilize power. Power is necessary for change to occur. It is neither inherently good nor bad; it simply assists individuals in accomplishing their goals. Leana and Barry (2000) note that even well-thought-out plans for change can be derailed when the politics of implementation are not considered. Change masters must, therefore, garner support for the desired change throughout the organization, using both formal and informal networks.

2.4 Business Process Reengineering

Organizations are redesigning and reengineering their business processes as a way of managing the change that is rampant in their environment (Zeleny, 2005). The market place is constantly changing and for businesses to be successful, it is imperative that companies must forego their obsolete ways of doing business and adjust to the changing environment. In the recent past, BPR has become one of the tools for change management. It has attracted many researchers and industrial leaders. BPR is known to produce positive results for businesses in measures of performance. Such areas are cost, productivity, customer satisfaction and speed (Fliedner and Vokurka, 1997). It can also be used to increase quality for both internal and external business processes, hence

increasing value for both the employee and the customer (Dean et al., 1996 and Goksoy, 2011).

Business process reengineering is both a top-down approach and bottom-up approach (Facilities Operations Approach, 2005) which is aimed at rapid and dramatic performance improvement (Ardhaldjian and Fahner, 1994), rather than incremental improvement. It pursues multifaceted improvements including product or service quality, cost and speed (Klein, 1993). He adds that BPR views businesses from the process perspective rather than functional or organizational perspective. It results in a completely new design of the tasks and processes by fundamental rethinking and redesign of the business process (Hammer and Champy, 1993). The primary purpose of BPR is to increase effectiveness of accomplishment of the company's management, administrative and operational tasks (Scott, 1995).

Business process reengineering is closely linked with strategic change. BPR has a strategic value in managing organizational change, as it includes new vision or strategy: need to build operational capabilities, need to reevaluate strategic options, enter new market or redefine products and reflect the company's overall strategy (Thyagarajan and Khatibi, et al., 2004). BPR derives its existence from different disciplines, and four major areas can be identified as being subjected to change in BPR - organization, technology, strategy, and people - where a process view is used as common framework for considering these dimensions (Leavitt, 1965). It is strategically important because it gives a new direction and hope for the organization's future.

2.5. Application of BPR as a Tool for Strategic Change

Business process reengineering as a tool for strategic change has found its application in all sectors world-wide. BPR has been put into practice by many organizations due to its ability to increase performance significantly, hence making it an indispensable tool in managing change. According to Butler (1993), a number of factors have contributed to this. There has been a growing realization that substantial change need to be made to many current business operations if organisations are to maintain profitability and improve customer responsiveness. These concerns stemmed directly from intensified industry competition within domestic markets and from overseas and a worldwide economic downturn, which has forced many firms to seek ways of achieving economies of scale and scope. The merger acquisition binge of the 1980s (King, 1991) left many organizations with heavy debt burdens which was caused by rapid expansion and/or incompatible or totally different organizational cultures, work practices and information systems in place that needed immediate transformation.

In the words of Butler (1993), deregulation, re-regulation or privatisation also adversely affected government agencies, hence needed to be checked. For example, in Australia, Telecom Australia, Melbourne Water and Victoria's State Electricity Commission, were all affected and had to be reengineered immediately. Changing from the current bad states to future desired states forced management of these organizations to be strategic in managing the change that had resulted in the downturn performance of the sector. Business process reengineering tool was, therefore, found useful in radically re-designing

the entire business process and re-thinking of how better management practices could help transform the sector.

Many public and private sector organizations and SMEs World-wide have undergone major reengineering efforts. The technique was applied first to multinational corporations, such as IBM, AT&T, Sony, General Electric, Wall Mart, and Hewlett Packard, resulting in major downsizing in their organizational structures (Moad et al., 1994). Later, the banking sector began to reengineer with a great degree of success. Examples were Citibank, North Western Bank, and the Bank of America. Major utility companies used reengineering as a technique to improve their services. BPR is also being used to change the organizational structure of public services (Humphrey et al., 1995).

As the technique was becoming well known to the business sector, smaller enterprises were using the technique for organizational upgrade. Today most SMEs are investigating the re-engineering technique and a lot of them are applying re-engineering, since the technique is applicable and affordable to almost all SMEs. Application of BPR has even permeated the hospital industry where the tool has been used to radically transform the industry. For example, in the case of Singapore Hospital, increase in average daily operations from 162 to 168 and reduction in utilization of preoperational area from 90% to 62% (Hall, Rosenthal & Wade, 1993). Equally in the case of Tan Tock Seng Hospital, the second largest in Singapore, BPR had totally eliminated the waiting time of patients in Accident and Emergency Department.

Business process reengineering is, therefore, applicable to all firms (manufacturing firms, retailers, services) and public organizations that have strong management commitment to new ways of working (innovation) and well-formed information technology infrastructure (Dean, 1996). BPR also finds its application in companies that confront problems such as high operational costs, low qualities offered to customers, high level of bottleneck processes at peak seasons, poor performance of middle level managers, inappropriate distribution of resources and jobs in order to achieve maximum performance (Thyagarajan and Khatibi, et al., 2004).

2.6 Challenges of BPR as a Tool for Strategic Change

Business process reengineering implementation has varied organizational consequences. These include organizational restructuring, new job descriptions, new products, processes and services (Scott, 1995). BPR has become the method of choice for achieving strategic goals. Some call BPR essential for success in the future, others call it a fad, still others regard it as a hash of old ideas given a new name by consultants seeking business. A few, for example, Hammer and Champy (1993), see it as one element in reengineering the corporation, a more holistic view of the changes through which their companies are going. However, there is no guideline for measurements of the degree of dramatic improvement. As a result, BPR is incorrectly interpreted as a miraculous prescription which can provide a quick-fix solution for all problems. This misconception regarding business process reengineering alludes to the fact that various organizations can employ different models and practices in implementing it according to how they best

understand the term. Adoption of various standards for implementing BPR is, therefore, very important.

The results of BPR can improve the business tenfold (Manganelli, 1993). Emanating from this school of thought is that there are inflated expectations about the speed, scope or benefits of reengineering (Kiely, 1995). The unrealistic expectation leads to management disappointment with BPR because of its modest achievement. Although there is not an absolute figure to indicate the success of BPR as a tool for strategic change, a guideline on performance indication is that a 30 per cent improvement can be considered as a breakthrough (Klein, 1994). In order to minimize the chance of failure because of inflated expectations, clear goals and objectives should be set according to specific requirements and conditions.

Business Process Reengineering implementations also fail because of complacency (Klein, 1994). Some leading companies hold the point of view that they have superior expertise and largest market share so business process reengineering is not relevant to them. They ignore the fact that any business may become outdated due to environmental changes. In addition, many companies are unable to reorganize their processes successfully because of over-contentment with status quo. Consequently, companies that want to succeed in reengineering must recognize the problem of complacency.

Resistance to change can also affect BPR to a large extent (Klein, 1994). Resistance is a phenomenon that affects the change process, delaying or slowing down its beginning,

obstructing or hindering its implementation, and increasing its costs. It is any conduct that tries to keep the status quo, equivalent to inertia, persistence to avoid change. It manifests itself in two forms: systemic resistance and behavioral resistance. Klein et al. (1994) adds that systemic resistance is the passive incompetence of the organization occasioned by the above factors. It is proportional to the difference between the capacity required for new strategic work and the capacity to handle it. It occurs whenever the development of capacity lags behind strategy development. This kind of resistance can be reduced through providing dedicated capacity by planning and budgeting for it and integrating management development into the change process. Behavioural resistance, on the other hand, revolves around employees and managers in other departments. This challenge, according to Berman (1994), can be reduced through shared organizational goals and management commitment.

Business process reengineering, as a tool for strategic change, also faces the challenge of the fear of the unknown and failure (Klein, 1994). No one can ensure the success of BPR so this becomes a barrier to change. Many companies do not know the methodology of reengineering and they fear that dramatically reorganizing the processes may lead to its collapse. To enhance their confidence, change agents should effectively convey the reengineering project to the whole organization and ensure full understanding of new processes.

2.7 Measures to Mitigate the Challenges of BPR as a Tool for Strategic Change

There are a number of measures that organizations need to adopt to help mitigate the challenges fronted by BPR as a tool for strategic change. According to Hammer and Champy (1993), Klein (1994), Thomas (1994), Cooper and Markus (1995), the key measures are: revising reward and motivation systems, effective communication, empowerment, human involvement, training and education, creating an effective culture for organizational change and stimulating the organization's receptiveness to change.

Staff motivation through a reward programme has a crucial role in facilitating re-engineering efforts and smoothing the insertion of new processes in the workplace (Thomas et al., 1994). As BPR brings about different jobs, existing reward systems are no longer appropriate for the new work environment (Davenport, 1993). Therefore, reward systems should be revised as part of the BPR effort and the new reward and incentive system must be widespread, fair and encourage harmony among employees. Further, introducing new job titles can be considered as one example of encouraging people to endorse the re-engineering programme without fear.

Effective communication is considered a major key to successful BPR-related change efforts (Davenport et al., 1993). It is needed throughout the change process at all levels and for all audiences even with those not involved directly in the re-engineering project (Grover and Malhotra, 1997). Effective communication between stakeholders inside and outside the organisation is necessary to market a BPR programme and to ensure patience

and understanding of the structural and cultural changes needed (Berrington and Oblich, 1995) as well as the organisation's competitive situation (Cooper and Markus, 1995). Communication should take place frequently and in both directions between those in charge of the change initiatives and those affected by them. It should also be open, honest, and clear, especially when discussing sensitive issues related to change such as personnel.

As BPR results in decisions being pushed down to lower levels, empowerment of both individuals and teams becomes a critical factor for successful BPR efforts (Bashein, Marcus and Riley, 1994) since it establishes a culture in which staff at all levels feel more responsible and accountable and it promotes a self-management and collaborative teamwork culture (Mumford, 1995). Empowerment ensures that staff are given the chance to participate in the redesign process (Bashein et al., 1994). When empowered, employees are able to set their goals and monitor their own performance as well as identify and solve problems that affect their work, thus they are supporting the BPR efforts.

The other measure is human involvement (Bashein et al., 1994). In re-engineering, all people must be openly and actively involved and should be consulted at all stages on the process and its leaders. This includes line managers, process owners, those involved in IS and human resources, and workers. The culture of experimentation is an essential part of a successfully re-engineered organisation and, therefore, people involved or affected by

BPR must be prepared to endure errors and mistakes while re-engineering is taking place (Harrison and Pratt, 1993).

Training and education are also considered by many researchers to be an important component of successful BPR implementation (Mumford, 1995). Organisations that undertake re-engineering projects may have to increase their training budget by considerably. BPR-related concepts, skills, and techniques (Davenport, 1993) as well as interpersonal and IT skills in TQM implementation and process analysis techniques are all important dimensions of training for BPR. It is also important to educate people in IT-related innovations for competitive advantage, the potential of IT in reshaping the business and the leadership of empowered organisations (Bashein et al., 1994). Business managers, line managers, information systems managers, and other staff in the front-line are the people who benefit most from education and training activities in both business and IT-related skills and expertise.

Davenport (1993) adds that creating an effective culture for organisational change can also help mitigate challenges of BPR as a tool for strategic change. Organisational culture influences the organisation's ability to adapt to change. The existing culture contains beliefs and values that are often no longer appropriate or useful in the re-engineered environment. Therefore, the organisation must understand and conform to the new values, management processes, and the communication styles that are created by the newly-redesigned processes (Dixon et al., 1994) so that a culture which upholds the change is established effectively. In a newly re-engineered organisation, people usually

share common goals and thus become more capable of working co-operatively without competing against each other. As BPR supports teamwork and integration of labour, co-operation, co-ordination, and empowerment of employees become the standard attitudes in the re-engineered work environment. However, trust and honesty among team members is also needed, and within the organisation as a whole (Cooper and Markus, 1995).

Many organizations which are keen on stimulating the organisation's receptiveness to change have also addressed the challenges of BPR as a tool for strategic change (Mumford, 1995). Preparing the organisation to respond positively to BPR-related change is critical to success. When people are made resilient to change, they remain positive during uncertainty, focused, flexible, organised, and pro-active (Davenport et al., 1993). Leveraging organisational change requires effective one-to-one and one-to-many interactions to enrol key influencers of both individuals and groups within and without the organisation (Hall, Rosenthal & Wade 1993).

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter seeks to describe the methodology in the choice of research design, data collection and analysis methods that were used during the study.

3.2 Research Design

The research was a case study. A case study method gives an in-depth and detailed understanding of a single entity under study. It is defined as an empirical inquiry that investigates a contemporary phenomenon within its real life context; when the boundaries between the phenomenon context are not clearly evident, and when multiple sources of evidence are used (Yin, 1984).

The design was chosen due to the fact it is based on analyzing a given unit of analysis. Past similar studies have also used case study design (Munyiri, 2000; Atebe, 2001; Ogada, 2007; Ouma (2011) and Gokskoy, 2011). In addition, case study deals with real life situations, issues and problems.

3.3 Data Collection Method

The study gathered both primary and secondary data which were qualitative in nature. Primary data were collected by means of an interview guide. The interview guide comprised of open-ended questions to respondents. The interviewees consisted of the following heads of various departments in the company: Financial Controller, Marketing Manager, Purchasing Manager, Human Resources Manager, Quality Control Manager,

Company Secretary, performance and Contracting Manager, Production Manager, Engineering Manager and Projects, Services and Technical Manager. Responses from the heads of various departments were recorded based on the interview questions that were administered to them orally.

Secondary data, on the other hand, were gathered from records existing in the company. These included documents such as bulletins and service charters and strategic plans. The corporate website whose contents are being maintained by the company was also informative to the project. These records were analyzed on the basis of previous, current and future milestones made by the company in terms of various business processes, the challenges it has faced over the years and the plans that have been put in place to spur its growth. Further, it sought to determine the way strategic change has manifested itself in the entire organization, including its drivers and challenges.

3.4 Data Analysis

The data gathered were qualitative in nature. Analysis was done by use of content analysis. According to Stemler (2001), content analysis refers to a set of procedures for collecting and organizing information in a standardized format that allows analysts to make inferences about the characteristics and meanings of written and other recorded material. Simple formats can be developed for summarizing information or counting the frequency of statements. More complex formats can also be created for analysing trends or detecting subtle differences in the intensity of statements. It enables researchers to sift through large volumes of data with relative ease in a systematic fashion. The tool was

adopted for data analysis because of its ability to help examine trends and patterns in documents as well as its ability to provide an empirical basis for monitoring shifts in public opinions.

During data analysis, therefore, these capabilities of content analysis made it valuable in organizing information obtained from both primary and secondary sources through guided formatting techniques. This systematic walkthrough in examining trends and patterns in the gathered data aided in making inferences on findings from the study, hence making meaningful and substantiated conclusions about the study.

CHAPTER FOUR: DATA ANALYSIS, FINDINGS AND DISCUSSION

4.1 Introduction

This chapter presents data analysis, results and discussion of the findings. Both the primary data collected through the use of interview guide and the secondary data gleaned from the existing records are analyzed, presented and discussed based on the objectives of the study. The chapter commences with a brief introduction on the research title which was business process reengineering as a tool for strategic change at ACFC. It then delves into strategic change at ACFC, application of BPR as a tool for strategic change at ACFC, challenges of BPR as a tool for strategic change at ACFC and measures put in place to mitigate the challenges of BPR as a tool for strategic change at ACFC. Finally, the chapter concludes with discussion of the findings.

4.2 Strategic Change at Agro-Chemical and Food Company

The study established that ACFC had witnessed a number of changes in its operation over the years. The company had to manage issues affecting its workforce, other stakeholders and business processes as a whole. From the study, the changes cut across the organization and manifested themselves in various cadres of management. In the words of the Works Manager, “notable wind of change came when the company saw the need to improve more on its products which were generally of low quality and so could not appeal any more to our customers. The products were technical alcohol and bakers’ yeast. There was also the need to empower our workforce with a view to increasing their productivity.” Top leadership changed where the holder of the position of RD & CE was

replaced in the recent past to ensure effective leadership and management. In addition, organizational structure was redesigned with a number of sectional heads being promoted to heads of departments. This ensured that management activities were well coordinated and effective feedback mechanisms put in place.

The study further showed that change had taken place in the product development and quality, manufacturing processes, customer focus, purchasing and supplies activities as well as in the human resource management such as workforce recruitment and retention. The changes in these areas had been strategically undertaken to ensure that the company's main mission was realized. Diversification into new product lines such as spirit bottling, CO₂ production and bio-fertilizer manufacturing were being undertaken. The study noted that for the activities to be successful, the company had to invest in product quality improvement through implementation of QMS, FSMS, and OSHAS certifications. In addition, ACFC injected resources into its workforce to ensure that their productivity and retention rate were increased. In the words of Human Resource Manager, "One of the 7 habits of highly effective people, according to Covey (1989), is sharpening the saw." ACFC was, therefore, involved in the process of reevaluating and redesigning jobs and retraining the workforce to help bridge the skills gap.

4.2.1 Drivers of Change at Agro-Chemical and Food Company

All the interviewees brought to the fore that change at ACFC had been necessitated by a number of factors that were both internal and external to the organization. The factors brought about new ways of managing the organization's workforce, handling customers,

manufacturing processes, increasing the product lines and quality and managing the entire supply chain. The factors cited by the interviewees were replacement in top management, high staff turnover, aging workforce, shrinking market share, government legislations, increased customer expectations, and technology obsolescence.

The study established that top leadership of the company had been replaced in the recent past. This change brought about new ways of managing the workforce like putting in place effective internal communication especially through mailing system, feedback mechanism, and team-briefing. Plus, holding regular meetings among senior management to brainstorm new ideas and thrash out contentious issues such as CBA negotiations had become the norm. The top leadership at ACFC had also given more attention to optimization of the manufacturing processes by making sure that the available equipment and technology were maximized in the production process. Further, the management had initiated development of new product lines such as CO₂ manufacturing, bottling of spirit directly to the customer and making of bio-fertilizer to augment the company's competitiveness.

In the recent past, ACFC witnessed an alarming turnover of its workforce with the younger generation leading the pack. According to the Head of Human Resource, "this had been due to a number of factors such as looking for greener pastures, acquisition of higher academic status through personal initiatives as well as gaining of unique technical skills through company sponsored programmes like management trainings and seminars

on various topical issues.” This trend led to gaps in skills and continuous expenditure in hiring of new workforce to fill the vacuum created.

The study also confirmed that a number of experienced work-force was aging and needed to be replaced. The HODs of the affected areas attributed this scenario to the fact that alcohol production was unique and required specialized skills that needed people to be trained and retrained to enable them master the production process. The company, therefore, ensured that such employees were retained at all costs to ensure minimal disruption in business processes. However, as things stood, management was worried regarding presence of the aging workforce that is supposed to retire soon.

There was also the issue of shrinking market share. The study established that Agro-Chemical and Food Company was set up at a time when the sugar industries had not started diversifying into alcohol production. This meant that molasses, which was the main raw material for producing alcohol, was readily available. On the same note, the finished products had ready markets both in Kenya and internationally. However, of late, this trend has changed with many local sugar companies realizing the need to make use of their by-products like molasses to manufacture products similar to those made by ACFC. This stiff competition for market share for raw materials and finished products had made the company to realize the need to undergo strategic change to anchor itself competitively in the industry.

The study further brought to the fore the issue of government legislations. More taxes had been imposed on its finished products especially alcohol. According to the Marketing Manager, “the product is being taxed exorbitantly by the Kenya Revenue Authority who have employed and stationed one of their employees at the company to ensure compliance. They have also directed the company to put in place an automatic alcohol loading system that is directly connected to the KRA headquarters.” This new development had made ACFC to incur huge expenditure in meeting the tax obligation. The government had also recognized the rights of employees especially the unionisable staff by registering a body (Federation of Kenya Employees) to give them forum for negotiating their salary increments every year through an initiative known as collective bargaining agreements (CBA). The unionisable staff, the study noted, had maintained that their negotiation should be based on inflation rate and not productivity. The findings further noted that there were stringent government laws that had been enforced regarding preservation of the environment through National Environment Management Authority (NEMA) acts which had brought about new guidelines on treatment and disposal of the industrial wastes to the environment.

The customers of ACFC also raised the bar regarding products’ quality and the quantities of the products that the company was able to buy at the same time. The findings showed that customers wanted strategic systems like customer relationship management to be put in place to enable them interact with ACFC effectively. Plus, majority of the customers wanted to have their demands addressed faster than had been the case in the past. Such

demands touched on the product pricing, marketing techniques and establishing long-term relationship with them to ensure continuous supply.

The study noted that the technology used in alcohol production was fast evolving into more sophisticated and advanced one due to continued research in the field. This coupled with the changing demands of customers had forced ACFC to invest heavily in upgrading of its technology especially in the industrial processes and information and communication technology to enable the company serve its customers better. This saw installation of current alcohol manufacturing plants known as extra-neutral alcohol technology (ENA) and rotary vacuum filter (RVF) to revamp production of baker's yeast.

4.2.2 Approaches to Change Management at Agro-Chemical and Food Company

The study established that change management approaches at ACFC were both planned and emergent. This was because both the management initiatives and the forces internal and external to the organization had contributed to the desire for change at the company. Regarding planned approach to change management, the study noted that the company had taken proactive steps in doing situational analysis and formulating various ways of achieving desired future states in the business operations at ACFC. For example, there had been deliberate moves by the organization to recycle industrial wastes into bio-fertilizer and to enter into product diversification in order to remain relevant in the market. Changes in management had also been planned through promotions and reassigning of employees' jobs that were relevant to their qualifications and experience.

There had also been deliberate steps taken to optimize manufacturing process at ACFC with a view to reducing operational costs like power wastage and underutilization of existing machineries.

The change at ACFC was also noted to be emergent in nature. The study established that the change had elements of being open-ended and continuous in nature due to the turbulence and the unpredictability in both its internal and external environments. Workforce at ACFC had become cognizant of their rights, for example, there had been push for safe working conditions especially in the manufacturing side, equitable training opportunities and need for succession plans. The external environment had also posed many challenges which had shaped the kind of change taking place at ACFC. Implementation of the government tax regime on spirit products, emergence of competitors for raw materials (Spectre International, Mumias and the local brewers), shrinking market for the products and the high inflation rate had altered the way of doing business in the agro-processing industry. ACFC has, therefore, responded reactively to these changes through strategic planning to enable it gain competitive advantage.

4.2.3 Dimensions of Change at Agro-Chemical and Food Company

Change normally takes the people and the business dimensions. The study confirmed that this was the case at Agro-Chemical and Food Company. The findings clearly noted that there had been continuous alignment of the organization's culture, values, people and behaviours specifically geared towards coping with the change. Workforce training programmes at ACFC were in place to empower them with necessary skills, job analysis

and reassigning programs were in place to ensure that roles were matched with relevant skills. Consultants had been involved in carrying out surveys regarding employee satisfaction (Employee Satisfaction Survey Report, 2012) to enable ACFC improve on the productivity of its workforce. The study further noted that there had been harmonious industrial relationship at ACFC with no legal case in the last 30 years due to clear communication of the company objectives and adoption of consultative meetings where people sat to discuss issues affecting the entire workforce and further come up with solutions. For example, ACFC had strongly involved itself in negotiating with its unionisable staff regarding yearly wage increment through collective bargaining agreements (CBA). ACFC had further adopted open office to enable flow of work both vertically and horizontally. Plus, there was a sense of comradeship, teamwork and reading culture, all inculcated in the workforce. In addition, the study noted that strong advocacy for gender and disability mainstreaming as well as drug and alcohol abuse prevention and control measures were in place to ensure healthy and balance workforce.

Evidence of the business dimension of the change where awareness was created among the workforce was also noted by the study. For example, plans involving implementations of capital projects such spirit bottling, CO₂ manufacturing as well as bio-fertilizer, had been communicated to the employees in advance. The study further established that there was leadership in place involved in change scope and objectives to be undertaken, procedures and systems to be followed as well as the activities and teams to be involved in the change implementation.

4.3 Application of BPR as a Tool for Strategic Change at Agro-Chemical and Food Company

Before embarking on the application of BPR as a tool for strategic change at ACFC, the study sought to first establish whether there was evidence of business process reengineering activities going on in the company or not, the business processes involved and finally, the approaches to BPR adopted by the organization. The findings showed that business process reengineering was in use at ACFC and it served as one of the tools that the company was employing to manage change. However, the extent to which BPR had been put into use has not been to the expectations of the management. In the words of the Production Manager, “paradigm shift regarding participatory approach to implementing new ideas still needs to be encouraged a lot among users.” The findings further showed that a good number of employees were not well conversant with business process reengineering since they synonymously equated it to quality management practices like TQM and Six Sigma. However, there was general agreement that virtually all business processes had been reengineered through radical rethinking and redesigning of the processes with a view to improving on product quality, customer service, cost control and speed of business operation.

The study indicated that business processes at ACFC were generally divided into two: technical or manufacturing processes and support processes. Technical processes were those that dealt with research, product design and manufacturing as well as maintenance of the industrial processes. Notably, they entailed all the activities which revolved around the procurement of raw materials, manufacture and storage of the finished products. The

departments involved in technical processes were: purchasing and supplies, projects and technical services, production, engineering, quality control and sales and marketing. On the other hand, business support processes were concerned with the activities that indirectly support the manufacturing processes through management of finances, workforce and automation processes. These are finance, ICT, company secretariat and human resource.

Regarding the approaches adopted for BPR at Agro-Chemical and Food Company, the study gathered that the organization was following a systematic approach where the processes go through planned phases of business analysis, budget allocation, selection of project team and finally implementation and control. Business analysis stage, on the other hand, dealt with determination of the critical processes that needed to be reengineered. Once these had been identified and analyzed in terms of priority, budget allocation was done to ensure financial support as well as necessary equipment were made available. Project team was then put in place and this included senior management, steering committee, consultants, project manager and project team. Finally, project implementation and control handled the process of actual execution through feedback to ensure that the objective is achieved.

The interviewees generally agreed that BPR as a tool for strategic change had been applied at Agro-Chemical and Food company over the years. This was evident from the analysis of the data collected from the interviews administered to the respondents. Notably, BPR had been applied in quality management, product development and

diversification, hiring and maintenance of workforce, purchasing and supplies, automation, customer service and environmental related activities. In quality management, there was evident that BPR had been put in use to develop better and newer ways of developing high quality products to help meet the increased customer expectations. And as the Quality Manager put it, “Our zealous pursuance of certification in qualities of our products has led to high quality of our products which has in turn instilled confidence in our customers. Over the years we have been certified in areas such as food and safety (QMS, FSMS, and OSHAS). However, the biggest task regarding such prestigious certifications is how to maintain them.”

The interviewees further noted that business process reengineering as a tool for strategic change had also been applied in development of products and diversification. The data collected showed that over the years the company pursued one line of product which was technical spirits. However, as the customers’ expectations increased and with the entrant of new competitors, the company had to reengineer its products in order to gain competitive advantage. ACFC, therefore, took initiatives of recycling its industrial wastes into saleable products such as purification of CO₂ and manufacture of bio-fertilizer from the industrial sludge. In addition, the company was in the process of setting up a spirits bottling plant whose main purpose was to further manufacture the current alcohol into a form that can be readily consumed by citizens. Before then, the product was sold to the market in semi-finished form. However, it had now realized the need to bridge the gap and earn premium.

The study gathered that hiring and retention of employees at ACFC had not been a critical area of focus by management in the past. This was because over the years, the company was not very cognizant of the need to improve employee productivity through initiatives such as reviewing of employee terms of engagement, job evaluation and skills matching as well as being sensitive to gender-related issues at work place. However, with serious challenges such as large number of aging workforce, high employee turnover especially among your energetic and more qualified workers, it is no longer business as usual. The company had, therefore, resorted to use of BPR in recruitment and maintenance of its workforce to ensure uninterrupted business process. Retraining of workforce in specialized skills, competitive workforce, successive planning, job re-evaluation and skills matching have, therefore, been given prominence at ACFC.

The interviewees noted that purchasing and supplies activities, over the years, were being done just to avail raw materials to ensure continuous production process and provide storage facilities for the materials. However, the company had in the recent past invested a lot in process reengineering whereby, measures such as usage of ICT services had been incorporated to help manage such services. Tendering processes were being done competitively to ensure quality raw materials. Inventory management had also been improved through implementation of ERP. Other best practices such as Just-in-Time (JIT) and demand forecasting techniques had also been introduced in stock management to reduce supply chain disruption to bare minimum.

The study clearly showed that the company had invested very heavily in automated manufacturing techniques. The entire alcohol production process had been automated through implementation of a number of latest technologies like advanced process automated control system (APAC) and automated quality control system. Such systems had helped reduce the cost of manufacturing process and also improved on its product quality.

Regarding customer care, study ascertained that there was improved customer service at ACFC due to introduction of BPR practices in the organization. Initiatives such as implementation of customer relationship management systems had been put in place to deal with challenges such as customer complaints. ACFC was also keenly adopting ICT services in its marketing and sales activities whereby, orders are placed online. Social marketing through Facebook and Twitter portals had been introduced to ensure wider reachability.

Further, the study established that ACFC took the initiative to put in place the environment and safety department in place to deal with the environmental challenges such as treatment of industrial effluent and safety of workers in general. BPR was, therefore, introduced in the section to help improve on the services that the company was offering to the organization. Initiatives such as rehabilitation of automatic fire alarm system, rehabilitation of biogas plant, environmental impact analysis (EIA) as well as creation of environmental awareness among the workforce had been undertaken to ensure

not only safe working environment, but also compliance with the government regulations (NEMA).

4.4 Challenges of BPR as a Tool for Strategic Change at Agro-Chemical and Food Company

The study established that, like any other organization, Agro-Chemical and Food Company had faced a number of challenges while using BPR as a tool for strategic change in managing its business processes. The major challenges cited by the interviewees were BPR being a fad, resistance to change, slow uptake of technology, complacency, inadequate budget allocation, lack of proper project planning and management and strategic planning challenges.

Some of the interviewees at ACFC, according to the study, expressed their limited understanding of BPR as a tool for strategic change. Generally, they equated BPR to quality management techniques such as total quality management (TQM) and Six Sigma. The limited knowledge about BPR had, therefore, posed a lot of challenge especially in realizing an organizational-wide reengineering process.

The study further indicated that resistance to change had manifested itself in two-folds: systemic and behavioural. Systemic resistance emanated from rigid structures and reporting relationships among senior managers. For example, some HODs reported to CE & RD while others reported to other HODs. Specifically, the study found out that the department of Information and Communication Technology, in spite of the critical role

that it plays in spurring the company's business processes, was still reporting to the Financial Controller and not the Accounting Officer (RD & CE). This resulted in tedious decision making process where it took long for critical information to be passed and quick decisions to be arrived at. Further, the study gathered that some HODs had more powers than their colleagues which they could use to push their agenda through the system, resulting in discrimination against other employees while executing their duties. There was also general fear between the two cadres of workforce, that is, unionisable staff and management staff with the former feeling that they were inferior, hence being sidelined from key decision making processes.

Technology uptake rate was also generally found to be low especially among the aging workforce who felt that they did not belong to the information age. This scenario had posed a lot of challenge in increasing the automation index at ACFC because many of the communications were being done through email. The fact that most of the manufacturing processes were automated required that the employees handling such machines and processes should be equipped with all the necessary technical skills. However, empowering such employees becomes difficult because of their negative attitude towards technology.

In terms of budget allocation to various projects, the study noted that inadequate budget allocation was a major challenge to effective application of BPR as a tool for strategic change at ACFC. This challenge had forced the organization to postpone critical projects

or cancel them all together. For example, implementation of enterprise resource planning (ERP) had to be put on hold for a number of years because of inadequate funds.

The study also established that there was lack of proper project planning and management. The respondents generally were in agreement that lack of proper project planning and management had posed major challenge especially in the inability to phase out capital projects. For example, two big projects (spirit bottling and CO₂ purification) were allowed to run parallel, resulting into a lot of money being committed in implementation of the projects. Consequently, little attention was directed towards other smaller projects that were equally important to the growth of the company.

The study noted further that strategic planning was a challenge especially due to lack of mid-term reviews of corporate strategic plans. For example, the current corporate strategic plan commenced in the year 2009/2010 up to 2013/2014 and so far, no mid-term review had been done. The general opinion supporting the direction taken was that it was assumed the plans would be successfully implemented without considering the fact that business environments change, hence the need to review the strategic plan to reflect the current business position.

The study gathered that there was top-down communication among the workforce, whereby authority and instructions trickled from the top downwards. However, the reverse was hardly the case; views of the middle and the lower cadres of employees were

generally not accommodated by the top notch. Such barrier in communication had, therefore, negatively affected feedback mechanisms and synergy among the employees.

4.5 Measures put in place to Mitigate the Challenges of BPR as a Tool for Strategic Change at Agro-Chemical and Food Company

The study found out that challenges of BPR as a tool for strategic change at Agro-Chemical and Food Company had posed a lot of retardation to the company's business processes. Management, therefore, instituted a number of measures to help mitigate the challenges cited above by the interviewees.

It was established by the study that the workforce at ACFC was already being trained on emerging technologies to bridge both the managerial and technical skills gap. According to Human Resources Manager, "this is, however, being implemented in phases and to the extent to which available resources can support." Trainings were both internal and external. Internal trainings took place in form of seminars and workshops that were administered by consultants. Major areas of focus in the recent past had been Change Management, Balanced Scorecard, Customer Satisfaction and ISO Recertification. External trainings at ACFC, on the other hand, were geared towards empowering employees with specialized skills to increase productivity of both production and support staff.

The study noted that effective communication was encouraged throughout the change process at all levels of management and this encompassed even those not involved in the reengineering projects (ACFC Product Bulletin, 2012). Communication was also encouraged between stakeholders inside and outside the organization to market and create awareness about BPR programme. The organization was already adopting team briefs and notice board communications to update the workforce on various issues.

According to Employee Satisfaction Survey Report (2012) management was revising reward and motivation systems in a manner that was fair to encourage satisfaction among employees. Further, the management at ACFC was in the process of introducing new job titles to encourage people to endorse reengineering programmes without fear. The management believed that by implementing these changes, the morale of the workforce would be galvanized towards inculcating a sense of teamwork and positive attitude in the employees.

The interviewees generally agreed that there was commitment and strong leadership in the upper echelon of management as evidenced through the use of participatory approach to encourage the culture of reengineering processes in the entire organization (ACFC Service Charter, 2011). For example, there were regular meetings where the RD & CE was briefed on the progress of the reengineering processes undertaken by the company as well as the challenges experienced by the project teams.

To help inculcate positive BPR practices among employees, the study established that the management headed by human resource department was in the process of redefining jobs and reallocating responsibilities that match with individual skills. The skills gap was noted by the interviewees to be a major challenge to BPR uptake in the sense that most of the projects could not be effectively managed by people with relevant skills (Employee Satisfaction Survey Report, 2012).

The study further found out that proper planning for and management of the BPR projects was in put place with adequate time frame and effective supervisory staff who were been mandated with the task of periodically assessing the progress of each project and giving feedback to the management. The spirit of piloting of new designs and learning from errors was also encouraged among the staff involved in various BPR projects (ACFC Strategic Plan, 2010).

Inadequate resource allocation to various BPR-related projects was also found to have been a major challenge to application of BPR as a tool for strategic change. This was the case primarily due to the fact that virtually all the projects were internally sponsored. To curb the problem of inadequate resource allocation to various projects, the management took the task of allocating resources appropriately to various projects (ACFC Budget, 2012/12013).

4.6 Discussion of Findings

The study established that BPR, as a tool for strategic change at ACFC, had been in use and the organization was indeed reaping from the many benefits fronted by the tool in management of its business processes. For example, ACFC was able to improve its productivity, grow its product lines, develop and motivate its work force, increase its market share and serve its customers better. The change management process that ACFC undertook in its entire business processes, therefore, resulted in notable benefits that spurred the organization from the one inferior product state (technical alcohol) to the current better state of multi-products, more motivated workforce, happier customers and more reduced cost of operation.

The study was, therefore, in agreement with the other ones cited in this research which affirmed that, just the same way implementation of both strategic change and business process reengineering collectively or individually have significant contribution to growth of various firms (Munyiri, 2000; Atebe, 2001; Ouma, 2011; Ogada, 2007; and Gokskoy, 2011), use of BPR as a tool for strategic change at ACFC also resulted in notable improvements like higher product lines and quality, better customer service, more reduced cost of operation and more motivated workforce. The study further confirmed that adoption of BPR as a tool for strategic change had many challenges which if not managed adoption of BPR as a tool for strategic change had many challenges which, if not managed properly, could derail the process. Most critical of these were resistance to change, lack of top-management support, inadequate resources, unmotivated workforce and lack of proper project planning and management techniques.

The study also indeed supported the various theories that underpinned the study which were systems theory (Yoon and Kuchinke, 2005; Dubrovsky et al., 2004 and Alter, 2007), complexity theory (Manson, 2007) and organizational development (Cummings and Huse, 1989). Regarding systems theory, it was confirmed that Agro-Chemical and Food Company, like other systems or organizations, consisted of various smaller functional units such as departments as well as various business processes which must be well coordinated to realize the overall growth of the company. There was also general agreement from the findings that ACFC existed in an environment that was turbulent and unpredictable in terms of its customers' expectations, raw materials availability, products' quality and lines, workforce sustainability, government legislation and e stiff competition. The organization, therefore, had to respond strategically to the unpredictability of the industry in which it operated. Equally, the study confirmed that for ACFC to anchor itself strategically, it needed to address change and how it affected not only the organization, but also the individuals and employees within the organization. In this regard, organizational strategies, structure and processes for improving the firm's effectiveness needed to be put in place.

CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter provides the summary, conclusions and recommendations arising from the study. It begins with brief introduction of the chapter then delves into summary of findings, conclusion, recommendations for policy and practice, limitations of the study and, finally, suggestions for further study.

5.2 Summary of Findings

The research objectives were to determine the application and establish the challenges encountered in applying BPR as a tool for strategic change at ACFC and the measures put in place to mitigate the challenges. The interviewees were unanimous that BPR had been applied in managing strategic change at ACFC. Like other tools, the process had a number of challenges. BPR still remained a challenging concept that needed to be demystified further through proper documentation of its methodology and the success factors. There was need to be enough resource allocation and proper project planning and management techniques to ensure that return on investment was realized. Sensitization of the entire workforce regarding the use of BPR as a tool for strategic change needed to be further intensified.

ACFC further needed to manage its people dimension of change to ensure total involvement and commitment to the implementation of BPR as a tool for strategic change. This should be manifested through effective revision of reward and motivation

system, availing of unbiased training and development opportunities to staff, becoming more conscious of gender mainstreaming issues and effecting putting effective communication system in the entire organization. However, more commitment and support from the top management leadership was still needed in order to realize company-wide adoption of BPR as a tool for strategic change.

5.3 Conclusion

The study generally agreed with other studies (Munyiri, 2000; Atebe, 2001; Ouma, 2011; Ogada, 2007 and Gokskoy, 2011) that BPR as a tool for strategic change is being applied in management at various firms. At ACFC, it was noted that BPR, as a key tool for strategic change, offered many benefits in managing business processes. The benefits included development of more product lines like spirits bottling, CO₂ and bio-fertilizer; better customer services, reduced cost of operation and motivated workforce. Such milestones, the study noted, had enabled the company to reinvent itself and reposition itself better in the value chain.

The study further noted that firms employing BPR as a tool for strategic change do better and realize their goals more effectively than those which do not employ the tool. Specifically, ACFC was able to institute various measures which enabled it to mitigate the various challenges realized in application of BPR as a tool for strategic change such as resistance to change, lack of proper project planning and management and lack of effective communication channels as well as unmotivated workforce. Further, it was established that the study supported the theories of systems, complexity and

organizational development which collectively affirmed the need to manage the various units of a system. Management of organizations should, therefore, be cognizant of the complexity of the industry in which firms operate and, further, strive to put better organizational structures and systems, accompanied by strong leadership, in place.

5.4 Recommendation for Policy and Practice

The study pursued BPR as a tool for strategic change at ACFC. Discussions and findings of the study would be important for policy and practice. For example, areas of application of BPR as a tool for strategic change like product development and diversification, improving customer services, hiring and retention of employees, management of purchasing and supplies activities and proper project planning and management would be used by various organizations to come up with policies to help rethink and reengineer their business processes. Challenges of BPR as a tool for strategic change such as BPR being a fad, resistance to change, low level of technology uptake, lack of effective communication channels, aging workforce and high turnover of employees would spur various organizations in adopting best practices to mitigate them. The best practices that would be put in place by such organizations would be, among others, training and development of workforce, establishment of effective communication channels, revision of reward and communication systems, proper planning and management of BPR projects and encouragement of top management commitment and strong leadership as were established by the study.

5.5 Limitations of the Study

The concepts and theories advanced generally sought to show the relevance of BPR and strategic change both independently and together by adopting BPR as a tool for strategic change. However, key issues regarding business process reengineering such as step by step execution of BPR, its success factors as well as merits and demerits may have not come out clearly from the study simply because the three key objectives were to determine the application and challenges of BPR as a tool for strategic change at ACFC and also to determine the measures that have been put in place to mitigate the challenges.

The study also focused on one company (ACFC), that is, it was a case study. This could limit its applicability in generalization of issues relating to adoption of BPR as a tool for strategic change in other firms and industries. The findings were, therefore, unique to Agro-Chemical and Food Company.

Last, but not least, there were elements of biasness among some respondents who were stingy with information from the fear that they would divulge some sensitive issues which could have impacted on their relationships with their supervisors and management. Such instances were noted when interviewees were prompted to divulge on the modalities used by top management in implementing various decisions such as employee training and development, promotions and placements as well as salary increments.

5.6 Suggestions for Further Study

The interview guide used is a reliable tool which helped to find out the application of BPR as a tool for strategic change at ACFC, challenges faced in employing the tool and measures put in place to surmount the challenges. A further study in this area could be extended to other organizations in both private and public domain. Comparing the research results in various industries may provide more in-depth information as to whether we can generalize the findings of this research to all organizations and industries. Further studies should also focus on widening the scope of objectives to include other concepts of BPR and strategic change that were not included in the study. Last but not least, if better ways of inculcating confidence and trust in top management of various organizations while carrying out future studies particularly during data collection are implemented, then quality and scope of data collected from interviewees would change to the better.

REFERENCES

- Government of Kenya. (2009). *Agricultural Sector Development Strategy: 2009-2020*.
- Agro-Chemical and Food Company Limited. (2010). *Corporate Strategic Plan: 2009/2010 – 2013/2014*.
- Agro-Chemical and Food Company Limited. (2012). *Annual Budget: 2012 – 2013*.
- Alter, S. (2007). Could the work system method embrace systems concepts more fully? *Information Resource Management Journal*, 20(2): 33-43.
- Anderson, N., & West, M. (1998). Measuring climate for work group innovation: Development and validation of the Team Climate Inventory. *Journal of Organizational Behaviour*, 19: 235–258.
- Ardhaldjian, R., & Fahner, M. (1994). Using Simulation in the Business Process Reengineering Effort. *Industrial Engineering*, 11(27): 60-61.
- Atebe. G. (2001). *Effect of Business Process Reengineering on Business Process Cycle: A Case of Kenya Power and Lightning Company* (Unpublished MBA Research Project). University of Nairobi, Kenya.
- Bausch, K. (2002). Roots and branches: A Brief, Picaresque, Personal History of Systems Theory. *Systems Research and Behavioral Science*, 19(5): 417-428.

Berrington, C. & Oblich, R. (1995). Translating reengineering into bottom-line results. *Industrial Engineering*, 24-27.

Burnman S. (1994). Strategic Direction: Don't Reengineer Without it. *Planning Review*, 22(6): 18-23.

Butler, C. (1993). *The role of information technology in business process redesign: some observations from the literature*, 18. Melbourne Business School, University of Melbourne.

Chakravarthy, B. (1997). A New Strategy Framework from Coping with Turbulence. *Sloan Management Review*, 69-82.

Cooper, R. & Markus, M. (1995). Human Reengineering. *Sloan Management Review*, Summer, 39-50.

Cumming, T. G., & Huse, E. F. (1989). *Organizational Development and Change*, 4, St. Paul, MN: West Publishing.

Davenport, T. (1993). *Process Innovation: Reengineering Work Through Information Technology*. Harvard Business School Press, Boston, MA.

Dean, E. B. (1996). *Business Process Reengineering from the Perspective of Competitive Advantage*. Retrieved from <http://garcia1.larc.nasa.gov/dfca/bpre.html>

Drucker, P. F. (1992). The new society of organisations. *Harvard Business Review*, 95-104. Retrieved from

<http://hbr.org/1992/09/the-new-society-of-organizations/ar/1>

Facilities Operations and Maintenance. (2005). *Business Process Review Project*, Davis, CA. Retrieved from

<http://www.isaca.org/Template.cfm?Section=home&Template=/ContentManagement/ContentDisplay.cfm&ContentID=18679>

Fliedner, G., & Vokurka, R. (1997). Agility: The Next Competitive Weapon. *APICS: The Performance Advantage*, 56-59.

Goksoy, A. (2011). *Business Process Reengineering: Strategic Tool for Managing Organizational Change and Application in a Multinational Company*. Retrieved from www.hho.edu.tr/HutenDergi/2010Temmuz/6_ERIM_VAYVAY.pdf

Grover, V., & Malhotra, M. (1997). Business Process Reengineering: A tutorial on the concept, evolution, method, technology and application. *Journal of Operations Management*, (15): 193-213. Retrieved from

<http://www.sciencedirect.com/science/article/pii/S0272696396001040>

Hall, J., Rosenthal, J., & Wade, J. (1993). How to make reengineering really work. *Harvard Business Review*, 119-31.

- Hammer, M. (1996). *Beyond Reengineering: How the Process-Centered Organization Is Changing our Work and Lives*. HarperCollins, New York.
- Hammer, M., & Champy, J. (1993). *Reengineering the Corporation - A Manifesto For Business Revolution*, 35 -49. Harper Business, New York, USA.
- Harrison, D., & Pratt, M. (1993). A methodology for reengineering businesses. *Planning Review*, 6-11.
- Kiely, T. J. (1995). Managing Change: Why Re-engineering Projects Fail. *Harvard Business Review*, 73(2): 15.
- King, J. (1991). Re-engineering: rip it up! *Computerworld Journal*, US, 25(28): 55-57.
- Klein, M. (1993). IEs Fill facilitator Role in Benchmarking Operations to Improve Performance. *Industrial Engineering*, 25(2): 15.
- Kotter, J. P., & Leonard A. S. (1979). Choosing Strategies for Change. *Harvard Business Review*, 134-136.
- KSB. (2009). *Kenya Sugar Board Strategic Plan: 2009–2014*, 16. Retrieved from <http://www.kenyasugar.co.ke/.../KSB%20Strategic%20Plan%202009-2014.pdf>

- Lawrence, P. (1990). Why Organizations Change. *Large-Scale Organizational Change*, 48–61. San Francisco: Jossey-Bass.
- Leana, R., & Barry, B. (2000). Stability and Change as Simultaneous Experiences in Organizational Life. *Academy of Management Review*, 25: 753-759.
- Levinthal, D. (1997). Adaptation and rugged landscapes. *Management Science*, 43: 934-950.
- Mason, R. (2007). The External Environment's Effect on Management and Strategy. A Complexity Theory Approach. *Management Decision*, 45(1): 10-28.
- McElroy, M. W. (2000). Integrating complexity theory, knowledge management and organization learning. *Journal of Knowledge Management*, 4(3): 195-208.
- McKenzie, C., & James, K. (2004). Aesthetic as an aid to understanding complex systems and decision judgement in operating complex systems. *Emergence: Complexity & Organizations, Special Double Issue*, 6(2): 32-39.
- Middlemist, R. D., & Hitt, M. A. (1988). *Organizational Behaviour: Managerial Strategies for Performance*, St. Paul, MN: West Publishing.

- Mumford, E. (1995). Creative chaos or constructive change: business process reengineering versus socio-technical design. *Examining Business Process Re-engineering: Current Perspectives and Research Directions*, 5(2): 192-216.
- Munyiri, S. R. (2000). *A Survey of the Use of Business Process Reengineering Approach in the Kenyan Pharmaceutical Manufacturing Industry* (Unpublished MBA Research Project). University of Nairobi, Kenya.
- Ogada, A. O. (2007). *Strategic Change Management at Wrigley Company, East Africa Limited* (Unpublished MBA Research Project). University of Nairobi, Kenya.
- Ouma, S. L. (2011). *Management of Strategic Change at East Africa Portland Cement Company Limited* (Unpublished MBA Research Project). University of Nairobi, Kenya.
- Oscar, M. O. (2011). *Strategic Change Management at the Interim Independent Electoral Commission* (Unpublished MBA Research Project). University of Nairobi, Kenya.
- Randolph, A., & Blackburn, R. (1989). *Managing Organizational Behavior*. Boston: Irwin.

- Schalk, R. J., Campbell, W., & Freese, C. (1998). Change and employee behaviour. *Leadership & Organization Development Journal*, 19(3): 157- 163. Retrieved from <http://dx.doi.org/10.1108/01437739810210202>
- Scott, G. M. (1995). Downsizing, Business Process Re-engineering, and Quality Improvement Plans: How They are Related? *Information Strategy: The Executive Journal*, 11(3): 18-34.
- Skyttner, L. (1996). *General Systems Theory: An Introduction*. London: Macmillan Press, Ltd.
- Stemler, S. (2001). Practical assessment, research and evaluation. *A peer reviewed electronic journal*, 7(17). Retrieved from <http://PAREonline.net/getvn.asp?v=7&n=17>
- Sullivan, T. (2004). The viability of using various system theories to describe organizational change. *Journal of Educational Administration*, 42(1): 43-54.
- Thyagarajan, V., & Khatibi, A. (2004). BPR - A tool for Managing the Change. *The Journal of Human Ecology*, 15(1): 57-61.
- Thomas, M. (1994). What you need to know about business process re-engineering. *Personnel Management*, 28-31.

Van de Ven, A. H., & Poole, M. S. (2002). Field Research Methods. *Companion to Organizations*, 867-888, Oxford: Blackwell Publishers.

Wang, T. (2004). From General System Theory to Total Quality Management. *Journal of American Academy of Business*, 4(2): 394-400.

Yoon, S., & Kuchinke, K. (2005). Systems theory and technology: Lenses to Analyze an Organization. *Performance Improvement*, 44(4): 15-20.

Zeleny, M. (2005). *Human Systems Management: Integrating Knowledge, Management and Systems*, 91, World Scientific Publishing Co. Pte. Ltd.

APPENDICES

APPENDIX 1: LETTER OF INTRODUCTION

Resident Director and Chief Executive,
Agro-Chemical and Food Company,
P.O. Box 18-40107,
MUHORONI.

Date: 14th September, 2013.

Dear Sir,

RE: REQUEST FOR DATA COLLECTION

My name is Okundi Eliakim Ologi, Reg. No.: D61/70321/2011, in the Master of Business Administration program, Strategic Management option, at the University of Nairobi. As part of requirements for completion of the course, I am expected to carry out a study on “**Business process reengineering as a tool for strategic change.**” The research being a case study, I have identified your organization as my unit of analysis.

I would, therefore, like to request your good organization to allow me collect data through the use of interview guide from the top management of your organization and from secondary sources in the company.

Yours faithfully,



OKUNDI ELIAKIM OKUNDI

APPENDIX 2: LETTER FROM THE UNIVERSITY



UNIVERSITY OF NAIROBI

SCHOOL OF BUSINESS

KISUMU CAMPUS

Telegrams: "Varsity" Nairobi
Fax: 4181650
Kisumu, Kenya
Telex: 22095Varsity
Mobile: 0720348080
Email: ajaleha@uonbi.ac.ke

P.O Box 19134-40123
Kisumu, Kenya

Date: 10th September, 2013.

TO WHOM IT MAY CONCERN

The bearer of this letter Mr. Okundi Eliakim Ologi

REGISTRATION NO: D61/70321/2011

The above named student is in the Master of Business Administration degree program. As part of requirements for the course, he is expected to carry out a study on "**Business process reengineering as a tool for strategic change**"

He has identified your organization for that purpose. This is to kindly request your assistance to enable him complete the study.

The exercise is strictly for academic purposes and a copy of the final paper will be availed to your organization on request.

Your assistance will be greatly appreciated.

Thanking you in advance.

Sincerely,

Alex Jaleha
10 SEP 2013

MR. ALEX JALEHA
CO ORDINAOTR, SOB, KISUMU CAMPUS

Cc File Copy

ISO 9001:2008

The Fountain of Knowledge

Providing leadership in academic excellence

APPENDIX 3: INTERVIEW GUIDE

1. What is your title and role in the organization?
2. Are you aware of any changes that the company has experienced in the recent past?
3. What were the triggers for this change?
4. Which aspects of the change apply to the department which you head?
5. Were the changes planned or emergent?
6. What role does your department play in implementing the strategic change that your organization is undergoing?
7. How have the changes affected both the people and business dimensions of your organization?
8. What environmental factors have helped in driving change at ACFC?
9. What challenges have you experienced while implementing this change in your organization?
10. How has the organization been able to address (mitigate) the challenges?
11. Are you aware of business process reengineering as a tool for strategic change?
12. What is the relevance of business process reengineering to your organization?
13. What are the key business processes at ACFC?
14. What role does your department play in managing the business processes?
15. Which are the processes that have been affected by BPR and how has this impacted on the wholistic view of the company-wide change?
16. What are the approaches adopted by your organization in implementing business process reengineering?
17. How has business processes reengineering helped in driving change at ACFC?

18. What are the success factors in implementing BPR in your organization?
19. BPR as a tool for strategic change faces various challenges. What challenges have you experienced while adopting this tool?
20. How has your organization been able to handle the challenges of BPR as a tool for strategic change?
21. What best practices have managing change through BPR introduced in your business operations?