

**BUSINESS PROCESS REENGINEERING AS A STRATEGIC TOOL
AT KCB BANK**

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DECLARATION

I, Fridah Chebet Morogo declare that this research project entitled BUSINESS PROCESS REENGINEERING AS A STRATEGIC TOOL AT KCB BANK is my original work and has never been presented in any other university or institution of higher learning for any academic award such as certificate, diploma or degree.

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DEDICATION

This research project is dedicated to my parents, Kiplagat and Jelagat Morogo for their support and investment towards education and to my siblings, Rono and Kossie for their nudge to go ahead.

TABLE OF CONTENTS

DECLARATION	ii
ACKNOWLEDGEMENT	iii
DEDICATION	iv
LIST OF TABLES	vii
ABBREVIATIONS AND ACRONYMS	viii
ABSTRACT	ix
CHAPTER ONE: INTRODUCTION	1
1.1 Background of Study	1
1.1.1 Concept of Strategy	2
1.1.2 Business Process Re-engineering	3
1.1.3 Banking Industry in Kenya	4
1.1.4 Kenya Commercial Bank.....	6
1.2 Research Problem	7
1.3 Research Objectives.....	9
1.4 Value of Study.....	9
1.5 Chapter Summary	10
CHAPTER TWO: LITERATURE REVIEW	11
2.1 Introduction	11
2.2 Theoretical Foundation of the Study	11
2.2.1 Institutional Theory	12
2.2.2 Agency Theory	12
2.3 Business Process Reengineering.....	13
2.4 Strategy and Business Process Reengineering.....	16
2.5 Business Process Reengineering and Organizational Performance.....	16
2.6 Business Process Reengineering and Change Management	17
2.7 Summary of Knowledge Gap.....	18
2.9 Chapter Summary	21

CHAPTER THREE : RESEARCH METHODOLOGY	22
3.1 Introduction	22
3.2 Research Design	22
3.3 Data Collection.....	22
3.4 Data Analysis.....	23
3.5 Chapter Summary	23
CHAPTER FOUR : DATA ANALYSIS, RESULTS AND DISCUSSION	24
4.1 Introduction	24
4.2 Profile of participants	24
4.2.1 Background information of employees	25
4.2.2 Respondent working years in the bank	26
4.3 Knowledge of Business Process Reengineering and its Practices.....	27
4.4 Business Process Reengineering and Organization Strategy	29
4.4.1 Changes witnessed in the bank after BPR implementation.....	29
4.5 Impact of Business Process Reengineering in KCB Bank	31
4.5.1 Impact of BPR on organizational performance at KCB Bank	32
4.5.2 Impact of BPR on change management at KCB Bank.....	33
4.6 Discussion of the results.....	33
4.7 Chapter Summary	35
CHAPTER FIVE : SUMMARY, CONCLUSION AND RECOMMENDATIONS.....	37
5.1 Introduction	37
5.2 Summary of the Findings	37
5.3 Conclusion of the Study	38
5.4 Recommendations of the Study.....	41
5.5 Implications of the Study on Policy, Theory and Practice	42
5.6 Limitations of the study.....	43
5.7 Areas for Further Research.....	43
REFERENCES	45
APPENDICES.....	49
Appendix I: Interview Guide.....	49
Appendix II: Letter of Introduction.....	52
Appendix III: Letter of Authority	52
Appendix IV: Company Structure of KCB Bank.....	54

LIST OF TABLES

Table 2.1: Summary of Knowledge Gap.....	19
Table 4.1: Respondent Department.....	25
Table 4.2: Years Worked in the Bank.....	27

ABBREVIATIONS AND ACRONYMS

- BPR:** Business Process Reengineering
- CBK:** Central Bank of Kenya
- GOK:** Government of Kenya
- KBA:** Kenya Bankers Association
- KCB:** Kenya Commercial Bank
- KK:** Kenya Kazi
- KPA:** Kenya Ports Authority
- SPSS:** Statistical Package for the Social Science
- IT:** Information Technology

ABSTRACT

Changes in organizations due to various factors such as technological advancements or increased competition usually have an effect on business processes. Advancements in technology provide new capabilities for new and old processes while competition is critical in forcing the organization to change the direction of previous processes thereby invoking business processes reengineering. This research project discusses business process reengineering as strategic tool at KCB Bank. The research project established how business process reengineering has enabled KCB Bank cope with pressures from competitors and keep up with the rapid advancement of technology by reconstructing their processes and improving how they conduct their businesses. Process reengineering is the reinvention or redesign of how work is done or performed and it is an applicable concept to all industries regardless of type, size and location. Business process reengineering crucially depends on linking production procedures and organizational services to enhance business goals and objectives. The following question was used as a guide in the entire study; what are the effects of business process reengineering in developing strategy, organizational performance and change management at KCB Bank? The study is a contribution to the entire banking sector, government and the national treasury. In order to support the objectives of the study, the researcher looked into literature done by different scholars. The theories that underpin the study are agency theory and institutional theory. The researcher employed use of a case study design and the target population being the employees of KCB Bank. The data was collected using a semi structured interview guide. The data collected was analyzed using content analysis method since it was qualitative, textual and the outcome was presented in prose. The findings of the study were that organizations must develop new tools, new concepts, new strategies and new minds to cope with the turbulent and chaotic environment leading to continuous, radical and dramatic change. The study also observed that KCB Bank has experienced better performance after reengineering its processes. It was noted that the bank invested heavily towards training, innovation and cost leadership. The study has greatly contributed to process formulation and strategy development at KCB Bank and other financial institutions for the sole purpose of gaining competitive advantage. The study has also added to the body of knowledge through provision of reading literature. Finally, the study recommends further studies to be done on other banks in Kenya since different banks operate in different work environments.

CHAPTER ONE

INTRODUCTION

1.1 Background of Study

The goal of business process reengineering is to redesign and change the existing business practices or processes to achieve dramatic improvement in organizational performance. The development of an organization is a continuous process but the speed of change has increased in manifolds. In a volatile global world, organizations become competitive through business process reengineering by radically redesigning selected processes. According to Giaglis (2007) previous research on the concept of business process reengineering suggests that it has acute effects on organizational strategy. Sharma (2006) expresses business process reengineering as transformed processes that together form a component of a larger system which is aimed at enabling organizations to be empowered with advanced technologies and innovations. Reengineering needs an appropriate approach if it is expected to bring expected results and success.

Business process reengineering is modeled for the purpose of understanding problems and recognizing constraints in order to improve performance of a system. There are two theories that underpin this study namely; institutional theory and agency theory. Institutional theory advocates for the use of technology as an enabler to gain competitive advantage. This theory supports that the performance of an organization is attributed to external and internal environmental factors which include competition, technological advancement, political pressures and accounting standards. On the other hand, agency theory in business process reengineering is useful while engaging third parties to provide

different services through the use of contracts (Dabos and Rousseau, 2004). It provides a measuring tool to the principal and the agent on the deliverables and expectations of a process to be undertaken.

In Kenya, the changing dynamics of banking and other financial institutions forced players at all levels to be involved in reengineering. The study covers the use of business process reengineering as a strategic tool at KCB Bank. The strategies and operations of the bank have to be reengineered so that they can accommodate the changes that take place in the internal and external business environment in which the bank is operating in as well as the entire financial sector. The changes in the internal and external business environment have caused changes on business processes. In order to survive and flourish in the global economy, businesses must respond to major trends that are reshaping markets. Hence, the dynamics of the underlying forces at work require a renewed thrust on business process reengineering in banks to contribute to management and diversification of growth horizon by having an impact on productivity and profitability (Stalk, 2010).

1.1.1 Concept of Strategy

A strategy is a long term action plan that is designed to achieve a particular goal or set of goals (Sharma, 2006). Strategy means looking at the long-term future to determine what the company wants to achieve over a period of time, and putting in place a plan on how to get there. Management teams use effective strategies to strengthen the performance of their organizations. Strategies show how businesses should be conducted to achieve desired goals. Carte and Kelly (2003) address fundamental questions about the current

position of an organization and its future directions. There are two major types of strategies namely generic and competitive strategies. According to Carte and Kelly (2003) a business strategy is concerned with major resource issues and deciding on what products to allocate major resources.

Strategies are also concerned with the scope of the activities of the business. Development of a strategy is the core function of management. No matter the size of an organization, the strategic development process forces executives to assess the position of the firm, where it should be and how to get there. The process of formulating and developing strategy has to involve all stakeholders of an organization. Strategies have to be constantly reviewed against changes in the internal and external environment to ensure that they are effective. Pearce and Robinson (2011) outlined that a business firm has three types of strategy namely; corporate strategy, business strategy and functional strategy.

1.1.2 Business Process Re-engineering

The main components of business process reengineering are radical, fundamental, dramatic, process and change. A business process has to go through fundamental changes to improve quality, speed and productivity. Radical changes are preferred when dealing with business reengineering because unlike incremental changes they are made to bring about dramatic improvements. Organizations constantly operate in competitive environments and they need to constantly make changes on how they operate or how work is done. These constant changes and shake ups makes it easier for the companies to adapt to shifts in markets and changes in the business environment. Business Process Reengineering is not about marginal changes or fine tuning but about dramatic changes.

Business process reengineering is for ambitious companies that are willing to make substantial and significant changes for the purpose of achieving significant improvements on performance.

According to a survey conducted by Haghghat and Mohammadi (2012) to investigate the causes and the impact of business process reengineering, the study observed that BPR's main purpose is to increase efficiency and improve customer service. Most companies are functional or departmental and not process-oriented. For instance, most people are usually involved in fulfilling an order but no one usually tracks the product or the status of an order. Reengineering in this instance will make an individual responsible for the whole business process. According to Elzinga et al. (1995) business process reengineering continually improves fundamental activities such as marketing and communication among other elements of operations. According to Giaglis (2007) reengineering can only be successful if the people in the organization are empowered. Behavioral changes should therefore precede the reengineering process. Issues such as employee empowerment, training and education should be given priority in business reengineering. In order to reengineer a business process, both internal and external process capabilities such as production, distribution, suppliers and inter-organizational relationships have to be integrated.

1.1.3 Banking Industry in Kenya

The Kenyan banking industry comprises of 46 banks with some having operations locally, regionally and internationally. The industry is being regulated by the Central Bank of Kenya, the Banking Act, the Companies Act and other guidelines issued by the

CBK. Central Bank of Kenya regulates the activities and operations of all banks in the country with the intention of facilitating development and maintenance of a good monetary policy. Financial institutions face several pressures and changing conditions from increasing competition and changes in technology. The institutions have to come up with new services and financial products that must be developed and sold effectively (Osano, 2009). These new services and products can be developed after changing the business processes of the institutions through reengineering. Kenya Bankers Association works as a lobby for the local banking industry. It addresses all issues that relate to the banking industry.

Commercial banks in Kenya play a pivotal role in the economic resource allocation of a country. The funds deposited by its customers are channeled to investors. Therefore, if banks are profitable the shareholders yield high returns. This will encourage additional investment and bring out economic growth. It is obvious that a sound and profitable banking sector is able to withstand negative shocks and control to ensure stability of the financial system (Athanasoglou et al. 2005) The CAMEL framework is used as an indicator to sound banking; it entails capital adequacy, asset quality, management, efficiency and liquidity management. According to Andugo (2013), the growth in the Kenyan banking sector has been attributed to the liberalization of the sector, use of advanced technology and enhanced business environment due to the reforms being undertaken in the political, economic, social and cultural front.

1.1.4 Kenya Commercial Bank

KCB Bank is a market leader in Kenya and in the East Africa region. The bank has pursued aggressive expansion strategy and has a foothold in other East African countries namely South Sudan, Rwanda, Burundi, Uganda and Tanzania. This is in line with the bank's vision of being the preferred financial solutions provider in Africa with a global reach. KCB's history dates back in the year 1896 when it was then called the National Bank of India. A century later, KCB Bank has become the East Africa's largest commercial bank with an asset base in excess of 391 Billion and capitalization of 131 Billion. The bank has a total of 245 branches and hundreds of ATMs spread across the country.

KCB Bank posted an after tax profit of 16.8 Billion in the year ending December 2014. The bank has continued to post impressive results over the years despite making massive losses in 2004. This was achieved through good leadership, reengineering of its processes, staff training and being receptive their customers' interests. The bank has invested heavily in technology in order to deliver quality services to its customers. The bank customers are now able to access banking services from any of its branches and agents across the country and the East African region through the "One Branch, One Network, One Region" IT platform.

The bank recently rebranded changing its name from Kenya Commercial Bank Group to KCB Bank Limited. with a new purpose of "Simplifying your world to enable your progress." This was in line with its vision of being a regional bank; the bank opted to simplify its name to allow regional presence. The bank set out a new brand purpose to its

customers of being inspiring, simple and friendly. Some of the services offered by the banks include deposit taking, foreign exchange transaction services, business advisory services, loans and advances, providing credit status information to customers and internet banking. The latest services being offered by bank include diaspora banking, agency banking and mobile banking. KCBs mobile banking platform dubbed M-Benki has targeted the unbanked population and allowed customers to open bank accounts with only a mobile handset and a national identification card.

1.2 Research Problem

Today's business environment is dynamic, complex and continually changing (Brown et al., 2007). The environment is indispensable and an organization has to respond to its dynamism, heterogeneity, instability and uncertainty (De Carolis, 2003). Process reengineering in banks has been necessitated with stiff competition from players in the banking industry and also consumer awareness. Banks strive for sustainable competitive advantage, strategic positioning, and financial performance that consistently outshines their industry peers. It is only through reengineering that commercial banks realize their goals, vision and mission plans.

KCB Bank has constantly restructured their processes and systems to solve problems of the common citizen and also solve problems of how they offer their products and services to make them more effective and efficient (Osano, 2009). Systems are an essential part of the bank and they affect major strategic functions such as Risk and Audit, Credit lending, Marketing and Human Resources in the bank. The financial sector is very competitive and KCB Bank is constantly faced with harsh competition prompting it to change and

redesign its operations, systems and processes to stay ahead. The bank has been forced to re-examine and reposition its strategic functions and reengineer its business processes hence triggering business reengineering. The above statements give an insight to the problem of the study.

Businesses are faced with a lot of challenges both internally and externally. Management teams have to understand these challenges and identify them early enough before they lead to business failure. Business process reengineering as a concept has not been understood and appreciated fully. Business executives consider reengineering as just another management fad and therefore many changes done in businesses are usually called reengineering. Business executives also see the business process reengineering concept as a shallow intellectual justification or downsizing. The concept leads to dramatic changes in organizations and has been blamed for lay-offs and downsizing

Several studies have been conducted both on business reengineering both locally and internationally on business process reengineering. The implementation of BPR has been widely discussed with Disii (2011) focusing on the implementation of business process reengineering at Kenya Ports Authority and Laibon (2014) did a study on the effect of BPR on staff turnover at KK Security Group of Companies. Doyle (2014) focused on Business process re-engineering for the improvement of bank credit operations in South Africa. Hagos (2012) did a study on the BPR implementation and result within the Ethiopian ministry of health and Gambella region. Mutinda (2009) did an assessment of human resource factors in implementation of BPR at KCB Group.

This study answers the questions: What are the effects of business process reengineering as a strategic tool on systems, organizational performance and operations of KCB Bank? How does business process reengineering affect strategy development at KCB Bank?

1.3 Research Objectives

The objectives of the study are:

- I. To examine the effect of business process reengineering in developing strategy at KCB Bank
- II. To determine the effects of business process reengineering on organizational performance and change management at KCB Group

1.4 Value of Study

This study had a contribution to the entire banking sector in provision of excellent services to its customers through the implementation of business reengineering. KCB Bank and other financial institutions are able to gain competitive advantage in the market through BPR. The management of KCB Bank will also find the study useful in benchmarking reengineering of its processes and service delivery.

The results from the study may also be used by government, treasury and financial institutions to make policies, decisions and regulations for purposes of improving the banking industry and the financial sector in Kenya. Academics and researchers can also borrow from the findings of this research to support literary citation, research on the gaps and development of themes for future studies.

1.5 Chapter Summary

This chapter has presented on what Business Process Reengineering entails and how it's linked to strategy. Business process reengineering was defined as the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary modern measures of performance, such as cost, quality, service, and speed. The study also outlined a brief history of KCB Bank, its products and services. The bank has grown over the years and has continued to post impressive results. In addition, the banking industry in Kenya and its regulator being Central Bank was explained.

The research problem has been well articulated in line with the background of the study. The chapter has also outlined several studies that have been done both locally and internationally in relation to business process reengineering. The general objective of the study provided guidance throughout the study. The objective was to examine the effect of business process reengineering in developing strategy, organizational performance and change management at KCB Bank. Lastly, the relevance of the study to the management of KCB, other financial institutions, government, treasury and researchers has been outlined. The next chapter will represent the literary findings that underpin business process reengineering.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter presents the theoretical and empirical literature relating to Business Process Reengineering. The goal of reengineering is to "make all your processes the best-in-class." The whole banking industry is focused on major process performance enhancements and gains in domestic market share as a catalyst for successful diversification (Hammer and Champy, 1993). Banks have a tendency of focusing their efforts on market segments that have the potential for growth and enhancing performance resulting in redirection within the overall financial services sector. According to Hammer (1990), the concept of business process reengineering was an effective approach to incorporate change that would rethink and redesign business processes. Business process reengineering encompasses innovation and new developments to achieve improvement in performance, quality, speed and cost.

2.2 Theoretical Foundation of the Study

The study outlines some of the theories that underpins on the research being carried out. The theories discussed in this chapter are institutional theory and agency theory. Institutional theory acknowledges that business thrive in different environments and scenarios. This can either positively or negatively affect an organization. On the other hand, agency theory touches on the cost aspect. Agency costs can substantively reduce through coordination of goals of the principal and the agent which eventually improves organization's performance.

2.2.1 Institutional Theory

Institutional theory identifies internal and external environmental factors which determine the performance of an organization. The internal factors can either be environmental or coercive. Environmental factors include competition, technological advancements and economic constraints. While coercive factors entail accounting standards and financial legislation and finally socioeconomic and political institutions pressures. The behaviours of an organization could be disclosed and researched (Hussain &Hoque, 2002).

There are groups included in external factors namely mimetic factors and normative factors. Mimetic factors involve copying the best practices from others will normative factors has a variety of aspects. It involves professionals in different areas, organizational strategic orientation, corporate culture and organizational characteristics. Therefore, if institutional factors influence could be analyzed in organizational levels, it would mean that they also influence the organization's systems and processes.

2.2.2 Agency Theory

This theory describes possible problems arising from conflicts of interest and asymmetric information between two parties of a contract (Jensen and Meckling 1976). This is also called contingency theory as it's based on the assumption of a trade-off between the consequences of the contracts. It holds that remedial options lie largely in the type of employment contract that is designed and overseen. For contracts, one can read leadership, since contracts require design and direction through on-going leadership processes (Dabos and Rousseau, 2004).

The principal and agent are two actors and they both strive to maximize on their personal interest. The principal will strengthen auditing, budgeting, accounting systems to control the behavior of the agent that makes the management function more expensive and less efficient than market control. The organizational culture can be enhanced through extensive training, selection and induction of the agents. This is done through business reengineering. The principal can measure the outcome of the agent and appropriately reward the agent for the results.

2.3 Business Process Reengineering

Business Process Reengineering is a known word to the business world. Business process reengineering was first introduced more than twenty years ago in America as a strategic tool and was first introduced by Hammer (1990). It is a tool used to bring dramatic and radical change in the business. According to Hammer and Stanton (1995) BPR was first adopted by the private sector in the nineties to replace total quality management which was an approach introduced by the Japanese. Among several techniques and approaches of management, BPR is new and most commonly used in this era of technology and globalization. Business Process Reengineering has allowed many failing and even successful organizations to re-invent themselves to achieve performance improvements and position themselves in this ever changing world.

According to Sentanin et al. (2008) the concept of business process reengineering enabled companies to improve productivity and relationships with their customers as well as linking shareholder's value with organizational strategy. Davenport and Short (1990) calls business process reengineering a process of analysis and workflow redesign in an

organization while Hammer and Champy (1993) consider BPR as a radical change and rethinking of overall processes to achieve overall performance in terms of quality, service, speed and cost.

It is important to realize how change is important in this era of globalization, technology and changes in customer needs. It is important for management teams and consultants to plan accordingly in the verge of change which is increasingly becoming a necessity in today's business environment that is characterized by massive competition and drastic technological changes. Business process reengineering is a tool used to incorporate change and has proved to be a significant approach because of its features and results. The speed of rapid changes in the markets, shorter product life cycles and consumers' high expectations, consumers' product knowledge and demands require fundamental changes within an organization's structure, culture, systems, and other management processes.

According to Al-Mashari and Zairi (1999) organizations always strives to achieve effectiveness and efficiency so that they can reduce production costs, improve quality of products and provide speedy products and services to their customers: these products are delivered well by business process reengineering. Thus business process reengineering when applied properly is the only consistent tool that produces ground breaking results (Weerakkody, Janssen and Dwivedi, 2011).

Business process reengineering is easily adapted by many organizations. Gunasekaran and Kobu (2002) argued that the main feature of business reengineering adaptation is because of its ability and utilization of Information Technology and Computation. Odede

(2013) emphasized on the factors for successful implementation of business process reengineering initiatives in Kenya Revenue Authority. The research observed how business process reengineering initiatives have impacted on the performance of Kenya Revenue Authority.

Business process reengineering has gained acceptance as a tool for change because of its openness to technology and part of its success has been because of its ability to incorporate latest technology. BPR is a methodology which requires change in existing processes and designation of radically new ones and it is inevitable that some certain factors make this change feasible. These factors are known as enablers to change (Olalla, 1999) they include IT, structural, cultural, human resources and total quality management.

Cao et al. (2001) consider business reengineering as a tool to manage change, increase productivity and reduce cost. However, Cao et al. (2001) have recorded failure rate of as high as 70%. Marjanovic (2000) has also recorded a failure rate of more than 70% and therefore business process reengineering should be properly planned and implemented to avoid such high rates of failure. According to Sharma (2006), business process reengineering is an effective tool that has been used in realignment and redesign of internal processes in organizations including banks. Marjanovic (2000) postulates that business process reengineering is being used as a tool for realigning strategy, operations and systems in banks to deliver significantly increased financial results and customer satisfaction.

2.4 Strategy and Business Process Reengineering

An organizational strategy is a broad formula on how a business is going to accomplish its mission. According to Ahadi (2004) an organizational strategy addresses fundamental questions about current position of a company and its future plans. Attaran (2004) adds that strategy is a future plan for interacting with competitive environments to achieve the objective of a company. Strategy is about the long-term direction of an organization. It is majorly thought of in terms of major decisions about the future of the organization.

Due to the dynamic business environment that most organizations operate in, there is constant need for change to be able to adapt to changes in the business environment. A good strategy should be flexible enough to deal with the changes in the environment. Reengineering can be used as a strategic tool to drive change in an organization so that the business can achieve its goals effectively and efficiently. Berrington and Oblich (1995) explains that business process reengineering involves rethinking all aspects of a business process including its structure, purpose, technology and outputs then redesigning them to deliver value added output in an effective and efficient manner. Sharma (2006) believes that business process reengineering is considered a strategic tool because of the radical change that it brings to an organization. BPR is used to reshape the systems and operations of an organization so that it can achieve its goals efficiently and effectively in the long-run.

2.5 Business Process Reengineering and Organizational Performance

Organizational performance comprises of the actual output of an organization as a measure against inputs. The business process reengineering idea sketches back to the management theories that were built during the nineteenth century. Therefore, the main

focus of business process reengineering is to revamp, redesign and modify the current business practices and processes to attain remarkable development in organization performance. According to Abdolvand et al. (2008) the measurement for organizational performance allows companies to focus its attention on areas that should be improved by assessing how well work is done in terms of quality, time and cost. The business environment today is characterized by the increasing importance and strength of its stakeholders. According to Adesola and Baines (2005) stakeholders needs have to be taken into account when assessing the performance of modern companies.

Organizational performance in this study refers to the level of increase or decrease of bank performance with regards to financial and non-financial performance indicators. According to Adigun and Biyela (2003) organizational effectiveness represents the outcome of organizational activities. Aggarwal (1997) adds that organizational effectiveness is the major dependent variable in research on an organization. The perception of organizational performance has a direct link to the continued success and achievement of an organization.

2.6 Business Process Reengineering and Change Management

Change is an empirical observation in an organization entity of variations in shape, quality or state over time (Van de Ven and Poole, 1995). The general aim of change in an organization is an adaptation to the environment (Barr, Stimpert and Huff, 1992; Child and Smith, 1987; Leana and Barry, 2000) or an improvement in performance (Boeker, 1997; Keck and Tushman, 1993). Change Management programs enable companies to control the installation of new processes to improve the realization of business benefits.

Recent change management literature has focused primarily on the private sector, targeted on those trying to lead organizations through organization-wide change processes (Goodstein and Burke 1995; Mohrman, Jr. et al. 1989). The goal of the intentional organizational change typically addressed in this literature is to make rapid improvements in economic value while simultaneously creating an organization whose structure, processes, people and culture are tailored appropriately for its current mission and environment and positioned to make the next round of needed change (Beer and Nohria 2000).

2.7 Summary of Knowledge Gap

From previous studies, it is clear business reengineering is wide and a lot is yet to be researched on this area. Studies have widely covered implementation and assessment of business reengineering in different fields. There is a research gap on how to deal with the dramatic changes caused by business reengineering, the concept of business process reengineering and how business reengineering affects organizational structures, cost structures, product innovation, outsourcing and downsizing as presented in Table 2.1.

Table 2.1: Summary of Knowledge Gap

Study	Focus	Methodology	Findings	Knowledge Gap
Doyle, 2014	Business Process Re-engineering for the Improvement of Bank Credit Operations.	The research design was exploratory, non - probability sampling was used The use of interviews and questionnaires was used to collect data. The study used factor analysis to analyze data.	The key findings were that leadership and employees are not adopting a culture of performance improvements. Employees are not involved in the change initiatives or given the opportunity to make decisions.	Further studies on other services offered in the bank.
Laibon, 2014	The Effect of Business Reengineering on Staff Turnover: A case study of KK Security Group of Companies.	The study adopted a descriptive research design. A random sampling technique was used to determine the sample size. The sample size was 83 respondents of which 51 people responded. Collection of data was through questionnaires and data coding was done with Microsoft Excel and SPSS.	Team work has played a major role in BPR implementation, followed by resources, six sigma, information technology and total quality management.	The security sector is growing, therefore there is need to enhance BPR for facilitating competitive advantage, profitability and streamlining the sector to suit into the millennium development goals.
Andugo, 2013	Management of Strategic Change at Consolidated Bank Kenya Limited	The research design adopted was a case study. The study used primary data which was collected using an interview guide and the data analyzed using content analysis.	The study found out that strategic change was as a result of political, economic, social, legal and technological changes with the acceleration of globalization, competition, innovation, international trade relations.	Further studies on other banking institutions and the private sector.
Odede, 2013	Business Process Reengineering Implementation and Organizational Performance: The case of Kenya Revenue Authority	The research design used was descriptive survey design and also interviews were used to provide in-depth information. The sampling technique was stratified through questionnaire and interviews. The data analysis was done using tables, diagrams, percentages and frequencies	The management had a key role in BPR implementation through creating strategic awareness, ensuring attainment of organizational objectives and goals.	Further studies on Business process reengineering in the public sector, parastatals, government and private institutions.

Hagos, 2012	Assessment of Business Process Reengineering Implementation and Result within Ethiopian Ministry of Health and Gambella Regional Health Bureau Contexts	The study used cross sectional, qualitative and quantitative design. The researcher used questionnaires and interviews with 90 people responding to the questionnaire and 20 people being interviewed. The data was analyzed using SPSS and cross tabulation of dependent and independent variables.	The implementation plans at regional levels have gaps in quantifying resources needed, setting time frames of implementation and assigning roles. There has been a limitation in using software for data collection, transfer, retrieval, storage and improving IT competency.	Further studies to be done as the study focused on the health sector and Gambella region only. The study to be conducted in other regions within Ethiopia.
Disii, 2011	Implementation of Business Process Reengineering and Benchmarking at Kenya Ports Authority	The research design was through the use of interviews. The managers represented five KPA divisions. The secondary data sought was through the KPA bulletins of statistics. The sampling technique used was stratified random sampling. The data analysis used was through content analysis and structured break analysis.	The study showed that business process reengineering and benchmarking were undertaken at the port. Structural break had occurred on ships waiting time and overall port throughput showed continuous improvement.	The study to feature other ports within the East African community.
Mutinda, 2009	Assessment of Human Resource Factors in Implementation of Business Process Reengineering at Kenya Commercial Bank	The research design was descriptive. Primary data was collected through questionnaires which were distributed to both managers and support staff at KCB head office and Nairobi branches. Data collected was analyzed by use of descriptive statistics and SPSS	Of the five human resource factors considered in BPR, the staffs were agreeable that KCB had integrated four of them namely; egalitarian leadership, top management commitment, managerial support and conducive work environment.	Further studies to be done in other areas apart from human resources in KCB. In addition, similar studies can be conducted in other financial institutions.
Osano, 2009	Factors Influencing Performance of Business Process Reengineering Projects in Kenya: Case of Kenya Commercial Bank	The research design was through descriptive research. The population was KCB employee and a sample size of 351 was derived to participate in the study. The use of questionnaire and interviews were used to collect data. Descriptive statistics was used to measure the central tendency and variance of data.	The study found that management commitment, communication of change, processes and systems management and, monitoring and evaluation influence the performance of Business Process Reengineering projects at KCB Ltd.	Further research should be conducted to investigate how the other factors affect the performance of BPR at KCB Ltd and in other organizations in other industries across East Africa and beyond

Source: (Researcher, 2015)

2.9 Chapter Summary

Several studies have been done on business process reengineering and how BPR was established. The chapter focused on the concept of business process reengineering and a brief history of BPR was captured. Hammer (1990) perceived the concept of business process reengineering to be an effective approach to incorporate change that would rethink and redesign business processes. The theoretical foundation for the study was founded on the institutional and agency theories. Literature regarding BPR has been well articulated with views from different scholars.

The chapter also presented on BPRs relation with strategy, organizational performance and change management. BPR has been perceived to be a tool for realigning strategy, operations and systems in any organization. Business process reengineering improves productivity, relationships with customers and shareholders value. The chapter has also outlined on the research gaps from studies done locally and internationally that founded the basis of the research. The next chapter discusses on the research methodology used in the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the research methodology that was used to carry out the study on business process reengineering as a strategic tool at KCB Bank. The chapter covers the overall approach taken in terms of the research design, data collection and data analysis.

3.2 Research Design

The research design was a case study of KCB Bank. Abdolvand et al. (2008) describes a case study design as an in-depth study of a particular research problem rather than a survey. This type of design is used to narrow down a broad field of research into one or a few easily researchable examples. This case study design is used in this research because it allows a variety of methodologies, relies on several sources to investigate a research problem, it's more appropriate in examining how events unfold and provided a holistic understanding of the phenomena.

3.3 Data Collection

Primary data was collected using a semi-structured interview guide. The interview guide was made easier to understand by drafting open ended questions. The research targeted the Group CEO, two divisional directors, in IT and Back office and shared services since they are actively involved in the process of coming up with different strategies in the bank. The study also included views from five managers and five clerical staff from different units within head office as they are direct end users. Apart from the primary data collected from the interviews of the people mentioned above, secondary data from

journals, books, websites, academic articles and business review magazines was also used. The use of multiple sources of data facilitates triangulation of evidence.

3.4 Data Analysis

All the forms used for the interview were collected and inspected to ensure that they were complete and consistent. Content analysis was used to analyze the data collected. According to Nachmias and Nachmias (1996), content analysis is a technique for making inferences by systematically and objectively identifying specified characteristics of messages and using the same to relate trends. This method measures the semantic content or the ‘what’ aspect of the message. The method is used to make inferences by objectively identifying specific characteristics of messages and then relating to themes. This data analysis method ensures that the research objectives and the questions in the interview guide are answered correctly.

3.5 Chapter Summary

This chapter has extensively covered the research methodology used in this study. The research adopted a case study design with the target being employees of KCB Bank. The research targeted the Group CEO, two divisional directors, five managers and five clerical staff. The mode of data collection was through the use of a semi-structured interview guide as the primary source. Secondary data was through journals, books, websites and business review magazines. The data collected was analyzed using content analysis. The next chapter presents the results, findings and discussion of the study.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

This chapter presents the analysis and findings of the study as spelt out in the research methodology and objectives of the study. The method of collecting data was through interviews and the questions were developed in line with the objective of the study. The objective of the research was to examine how business process reengineering has developed strategy, organizational performance and change management at KCB Bank.

4.2 Profile of participants

The respondents in this study were specifically chosen since they had in-depth knowledge of KCB Bank and its procedures and had actively been involved in business process reengineering in the bank. The primary data was collected from respondents from KCB Bank and supplemented with secondary data from past research literature, journals, KCB website and business review magazines.

The researcher intended to collect data from the top management team which included the Group CEO and two divisional directors, namely Information Technology and Back office and shared services. The researcher also intended to gather views from at least five managers and five clerks all from different units at head office. However, due to lack of availability and time constraints, the researcher opted to interview heads within the two divisions, managerial representatives and clerks within the head office who have been involved in the BPR process in one way or another.

The background of the respondents who took part in the study was considered by the researcher. The respondents were asked their gender, current position in the bank, how long they had held their current position, how long they had been in the bank and their levels of education to determine their background and demographic profiles. It was assumed that the longer the respondent had been in the bank and the longer they have held their current positions they could truly be in a better position to comment on BPR and the performance of the bank over the years. Gender, current position in the bank and level of education were important to know for purposes of analysis and writing the report but they were not every important in determining whether the respondent would be in a position to comment on BPR.

4.2.1 Background information of employees

The researcher found it useful to inquire on the background information of the respondents to ensure that all departments actively involved in the business process reengineering are captured in the study. Table 4.1 shows the various departments that the respondents represented and the number of respondents interviewed from each department.

Table 4.1 Respondent Department

Department respondent works in	Frequency
Information Technology	4
Back office and shared services	3
Business reengineering	2
Finance	1

Source: (Field data, 2015)

Table 4.1 reveals that 40% of the respondents work in the IT department, 30% at the back office and shared services, 20% at business reengineering and 10% at finance. From the analysis, it was concluded that all departments that are relevant to BPR were captured. Since most changes brought about by BPR in KCB were experienced in the IT systems, more response was sought from the IT department. The business reengineering department had 20% response rate since they are a small team and work with different departments that are directly linked to the new processes to be introduced for guidance, advice and support.

4.2.2 Respondent working years in the bank

The researcher sought to find out the duration of employment for the respondents as it would demonstrate the ability to understand the bank's processes and procedures in relation to BPR. From the interviews conducted, all the respondents had been with the bank for between 4 to 10 years and most of them had managerial positions in their respective departments. The fact that the respondents had all been with the bank for more than four years was a direct indicator that the bank staff are well conversant with the bank's processes and the entire banking industry. It was also observed that employee satisfaction was high which could have been attributed to BPR, proper training, team work and good reward systems.

Table 4.2 Years Worked in the Bank

Years in the bank	Frequency
1-4 years	1
4-8 years	6
9 years and over	3

Source: (Field data, 2015)

Table 4.2 represents the number of years the respondents have worked in the bank. The researcher established that majority of the respondents have been working with the bank for more than four years with a percentage of 60%. 30% of the respondents had been working in the bank for more than nine years while only 10% had been in the bank for less than four years. High response was expected within those who had worked in the bank for more than four years because they had been involved directly or indirectly with at least one process reengineering project and were better placed to comment on how it was implemented and developed.

4.3 Knowledge of Business Process Reengineering and its Practices

The respondents were asked to give their understanding of Business Process Reengineering within the bank. This was meant to confirm that they comprehended the term before discussing further its practices and impact on development of strategy, performance of the bank and management of change. It was observed that the respondents demonstrated an understanding of the term. One respondent stated that Business Reengineering was a tool used to gain competitive advantage by analyzing business processes and adjusting them so that they meet the changing needs of the

environment. Another respondent also said that it was a tool used to ensure efficiency in the banking operations, faster turnaround time in processing customer loan applications, to reduce costs, increase customer satisfaction and increase job satisfaction.

The researcher sought to understand BPR practices in the bank. Interestingly as found in other past similar research done, most participants agreed that BPR mostly focuses on the customer, the product and the information technology components. Therefore the researcher drew a conclusion that if a company wants a business process which aims to become more focused on the consumer then the focus needs to be directed towards the operational and behavioral views of a business process as well as on the structure of the process. The overall achievement to BPRs success is to ensure that the customer is satisfied and that the customer is served in the shortest time possible.

The respondents were asked if there were any training, provision of manuals or documentation prior to any changes in the bank when BPR was being implemented. All the respondents agreed that there was adequate training provided by the bank on the BPR practices and on the processes before implementation of the process. It was also perceived that training was first done to the immediate staffs that were likely to use the new system then done to the entire bank staff at a later stage. The respondents also agreed that the training materials and documentation given had improved over the years. User manuals and documentation were available for reference with the guidance of all the relevant stakeholders.

4.4 Business Process Reengineering and Organization Strategy

The functionality and existence of any organization revolves around its strategy which is derived from its mission and vision. It is therefore important that the organizational strategy be seriously considered during BPR in order for the resultant business processes to be a true representation of the organization. For BPR to succeed, it should be aligned to the organizational strategy. BPR brings change to the business processes which in turn changes strategy and operations of the bank. The researcher sought to determine the changes experienced in the bank after implementation of BPR.

4.4.1 Changes witnessed in the bank after BPR implementation

The respondents were asked to outline the changes witnessed in different areas of the bank namely the IT division, the company structure, customer satisfaction and service delivery. All respondents indicated that they had experienced changes in all the areas mentioned above due to strategy change and approach of the bank. Different respondents had divergent views on how the factors mentioned above have impacted on the bank. One respondent indicated that use of internet banking and mobile banking has been welcomed by the bank's customers since BPR was carried out in the bank.

Another respondent indicated that newer systems of conducting banking such as Tranzware, Sybrin, Credit Quest, Csoft and Corona had been introduced or upgraded recently in order to enhance efficiency and cost containment. Most respondents indicated that they experienced introduction of the T24 system which is the bank's main system and the system had enabled effective e-banking and as a result improved services, turnaround time and convenience. Banking operations were carried out better, faster and

at lower costs and therefore clients were highly satisfied. It was also noted that the system has been improved over the years to accommodate the change in product line, increase number of customers, changes in the policy framework and improve turnaround time.

With regards to the company structure, most respondents indicated that they had experienced change in the board and top management of the bank. This shows that when processes are reengineered and strategy changes then other people are brought on board to steer the new vision and propel the new strategy. Another respondent indicated that the company structure had been affected by BPR in terms of consolidation of some divisional directors. This was attributed to some roles being merged with others. One respondent indicated that BPR had brought about reduced staff, hiring of professional and skilled personnel, outsourced roles like transport, cleaning and catering which in the long run resulted to reduced costs. From the interviews, it is also evident that change in strategy had a great impact on cost management in the bank.

Customer satisfaction is also another area that experienced great feedback from the respondents. The respondents indicated that they have experienced the introduction of agency banking, mobile banking, opening of more product lines, introduction of ticketing in branches to reduce queues and introduction of new products such as the Pepea transport card among others. This shows that business reengineering has increased customer satisfaction, loyalty and confidence. This can also be linked to the increase in customer base at the bank. The customers have confidence in the bank since the deposits have increased, the loan uptake is high and the product queries have gone up over the years.

In the service delivery area, there were mixed responses from respondents with some indicating positive changes or effects while others indicating negative changes. One respondent who indicated negative changes stated that he experienced extended working hours since BPR was carried out in the bank. This could be as a result of slow learning and getting used to the new processes and therefore employees took longer to carry out their day to day operations. One respondent who indicated a positive change stated that the bank partnered with the government to offer banking to the old age and also partnered with Mpesa to offer loans to their customers who use Mpesa services. Another respondent stated that more products were being offered hence increased customer satisfaction. The products being offered are for example the KCB Mpesa loans and the Pepea cards. We can therefore conclude that BPR has a great impact on development of strategy. It improves the strategies of the bank and results to better products and services, service delivery and increased customer satisfaction.

4.5 Impact of Business Process Reengineering in KCB Bank

The research sought to determine the impact of business process reengineering on organizational performance and change management in line with the objective of the study. Organizational performance is linked to best practices and processes to attain exemplary results and development. Management of change involves employees in an organization and how they perceive process reengineering. Change can elicit both positive and negative reaction amongst employees. Change is usually inevitable but it requires a lot of patience from the affected persons. Employees in an organization need more time to train and familiarize themselves with the new processes. Changes agents need to appreciate that different people have different skills and competencies.

4.5.1 Impact of BPR on organizational performance at KCB Bank

The study sought to find out the respondents perception of organizational performance and if BPR was a contributing factor to the performance of KCB Bank. The respondents were asked if there was any significant relationship between BPR and performance of the bank. Majority of the respondents felt that BPR had played a major role in improving performance of the bank in terms of efficiency, turnaround time and cost effectiveness. This means that even though there was no indication of a direct link of BPR and financial performance of the bank, it had still played a major role in making the bank better. On the BPR initiation, the bank main focus was on streamlining cost, streamline of its processes and reduction of operational costs.

It was also observed that there was evidence of customer and employee satisfaction in the bank. From these findings, it was noted that there are many possible benefits from reengineering that translate into improved organizational performance. Literature reveals there is a wide possibility of performance benefit from company innovativeness. Based on these findings, the researcher was able to validate earlier findings. Much of the strategic management literature has focused on the relationship between BPR and financial performance and considered the business environment as the moderator of that relationship. However, when examining the relationship between the reengineering factors such as intangible resources and organizational performance, it has been posited that there may exist some key moderating variables that are important issues to research.

4.5.2 Impact of BPR on change management at KCB Bank

When BPR is carried out in an organization, the process of developing strategy changes and so do other things like company structure and service delivery. Generally, change occurs in an organization when its business processes are reengineered. BPR involves changes in people behavior and culture, processes and technology. Change management is a crucial component of any BPR effort.

Most respondents indicated that the level of change in the bank as a result of BPR was fast and change management was more effective. This observation implied that organizations are operating in an ever changing environment in the area of competition, customer's tastes and preferences and development within information technology. These forces are changing the business environment both at the individual and corporate front or combined and there is therefore need for organizations to change appropriately. It was also perceived that employees of the bank have embraced change and have from time to time been taken through training programs on change management. This has created a good relationship between the management and the employees and therefore positively impacting on the customers.

4.6 Discussion of the results

The results of the study observed that there was need to reengineer KCB Bank processes and systems. It was clear that reengineering has positive impacts on development of strategy, organizational performance and change management. With the concurrent changes of customer expectations, technological discontinuities, increasing environmental uncertainties organizations have to make right strategic choices and setting

their strategic priorities in order to allocate their resources to different functions in an efficient manner.

The study found out that organizations must develop new tools, new concepts, new systems and the new mindsets to cope with the turbulent and chaotic environments leading to continuous, radical and dramatic changes. This can only be achieved through effective and efficient reengineering of their businesses. It is clear from the study that KCB Bank reengineered its processes and as a result organizational performance and change management was enhanced.

The study also discovered that business process reengineering has significant positive effect on the performance of KCB Bank. BPR has helped the bank to improve on organizational performance by enhancing the turnaround time of processes, simplifying and streamlining processes, increasing speed of processes and operations and reducing costs. The bank had improved its service delivery index over the years through process reengineering and listening to their customer needs.

The research gathered that KCB Bank has experienced better performance after reengineering its processes than it did before. The bank has also become more receptive to change now and has invested a lot in training to its staff. The bank has ensured that all staff affected by the changes are well conversant with the new processes, systems or developments. Changes have also been witnessed in different areas of the bank which indicates that BPR streamlines and simplifies all processes and therefore performance is enhanced in all areas of the bank.

From the research findings, we can state that though BPR does not totally contribute to high performance of organizations there could be other factors that affect performance in organizations. These factors include customer satisfaction, quality products and services, effective communication, empowerment, reward systems and organizational structure. The findings did not outline how BPR has affected hiring of employees, layoffs, and acquisition of multiple roles.

In conclusion, many findings from different literature state that business process reengineering redesigns the existing processes to achieve improvement in performance of the organization. The study findings also indicated that change is necessary for effective BPR. To manage this change, innovation is also necessary. Generally from the study, it can be said that BPR is a very critical weapon for any organization that seeks to improve its performance and achieve cost leadership strategy. Reengineering processes remains an effective tool for organizations striving to operate in this competitive world.

4.7 Chapter Summary

This chapter has presented the findings of the study, results and discussion based on the objectives of the study. This has been done through use of tables, percentages and frequencies. It has also given views from the respondents in regards to business process reengineering and its relationship to organizational strategy and change management. The study observed that BPR has been used as a tool to gain competitive advantage and ensure efficiency. The researcher noted that business process reengineering has a positive impact to organizational performance and change management.

The bank has invested heavily towards training, innovation and cost leadership. The bank experienced better performance after reengineering its processes. The next chapter will showcase the summary of the study, conclusions drawn, recommendations, and implications of the study on policy, theory and practice. It will also cover on the limitations encountered and areas for further research.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Introduction

This chapter presents a summary of the key findings and the conclusions drawn in line with the objectives of the study. It also includes the recommendations made there-to for improvement and enhancement. Furthermore, the chapter presents the limitations of the study and the areas for further research as perceived by the researcher.

5.2 Summary of the Findings

The researcher had targeted to interview the CEO and two divisional directors but due to various constraints, managerial heads within the targeted divisions were interviewed instead. The respondents were selected with regards to their involvement in the BPR projects of the bank and therefore they were in a position to provide relevant feedback. From the study findings, it is evident that there is need for organizations to reengineer their processes so that they improve their operations and remain relevant in this ever changing business environment. Customers' preferences and demands are constantly changing and therefore, there is need for organizations to also change how they operate. This is achieved through change of processes so that they can keep up and meet the demands and needs of consumers. Customers are now more informed and have a wide variety of products and services to choose from. Some of the changes witnessed in the bank through the introduction of business reengineering were also presented.

The respondents noted that they had experienced both positive and negative changes in different areas of the bank. The Information Technology division experienced great changes especially with introduction of new systems that are efficient and cost effective. The growing of business dependence on information technology both operationally and strategically require the need to focus on value-creating intangible issues of IT such as process effectiveness, IT experience and innovation. Other notable changes have been experienced in service delivery, the company structure and customer satisfaction. The customers can now be served in the shortest time possible and the turnaround time of loans has immensely improved.

To summarize the findings, it is clear that BPR is necessary in any organization because it has significant positive impact on organizational performance and it makes work easier. BPR cannot be effective without change and therefore change management is critical when carrying out BPR. Business process reengineering has enabled companies to improve productivity, improve on its relationships with customers as well as linking shareholder's value with organizational strategy.

5.3 Conclusion of the Study

The business environment has become very complex and there are rapid changes every now and then. It is important that organizations keep up with the changing environment and keep up with the changing needs of consumers as well. BPR is one way that organizations can adopt to change its processes and operations so as to keep up with the changing needs of consumers and to survive in this complex and ever changing business environment.

Organizations also need to gain competitive advantage and therefore the need to change old processes arises. Companies need to identify the tasks that are unnecessary, causing delay and inefficiency, identification of areas and jobs that can be reengineered with the help of developed and up to date technology. Thus, BPR provides a roadmap to achieve organizational goals that results in profit optimization and productivity enhancement. For BPR to be successful or effective, the activities in which the processes being reengineered are centered on must be in line with the goals and vision of the organization.

The Business Reengineering Process to KCB Bank as a strategic tool cannot be over-emphasized with the economic situation of this country, because it helps in meeting the domestic and industry needs or pursuance of better and high performance. Business Reengineering Process has helped in the achievement of the organization overall objectives. Reengineering is perceived to be a situation; when a business organization is transforming processes that together form a component of a larger system aimed at enabling organization to empower themselves with contemporary technologies business solutions and innovations. In the context of changing customer expectations, technological discontinuities, increasing environmental uncertainties, business managers have a big challenge of making the right strategic choice and setting their strategic priorities in order to allocate their resources to different functions in an efficient manner for business success. The aim of reengineering a business performance is to redesign the existence of a business practices in order to achieve improvement in performance.

KCB Bank managers must develop new tools, new concepts, new organization and the new mindsets to cope with the turbulent and chaotic environments leading to continuous change. This can only be achieved through effective and efficient reengineering of their

businesses. The research project revealed that throughout the period under consideration, KCB Bank has considered reengineering its business and as a result adopted new technology equipment that can enhance performance of the bank. For example, the introduction of the Pepea card makes paying for bus fare easy and convenient. The introduction of the KCB Mpesa loans also makes acquisition of loans easy through the phone and consumers can access even small amounts of loans conveniently on their phones.

From the analysis, it was discovered that reengineering a business has a significant positive effect. One general conclusion that can be drawn from this research is that many findings from literature which hold the general conception that Business Process reengineering entails the critical analysis and radical redesign of existing processes to achieve breakthrough improvements in organizational performance cannot be doubted. Interestingly, the research project shows that business process reengineering requires innovations and organizational change, in order to be successful. Also as a matter of fact, Business Process Reengineering as founded from the research project typically affects various variables in the organization such as people, employees, business and technology.

Finally, Business Process Reengineering has become a useful weapon for any corporate organization that is seeking improvement in their current organizational performance and intends to achieve cost leadership strategy in its operating industry and environment. Reengineering processes remains an effective tool for organizations striving to operate in this competitive world; organizations are required to re-engineer their business processes

in order to achieve breakthrough performance and long-term strategy for organizational growth.

5.4 Recommendations of the Study

Recommendations were made to various stakeholders concerning the effect of Business Process Reengineering as a strategic tool. These stakeholders are employees of KCB Bank, the corporate sector and the financial sector. All employees, not only in KCB Bank but other financial institutions should adopt a change of attitude towards Business Process Reengineering, and learn to view it as an avenue to learn and advance. This will enable them view Business Process Reengineering as a constructive measure rather than a re-organization plan. The study recommends that the bank should ensure that there are effective channels of communication of change initiatives at all levels. This can be achieved through change of the bank's strategic approach.

Another recommendation is that the leaders should also ensure that there exists strong coordination between managers, employees and other stakeholders in the management of strategic change. This can also be achieved through concerted efforts of working as a team. The researcher noted that business process reengineering was largely a managerial concern and most low level employees didn't even know the existence of BPR.

CEOs, while overseeing Business Process Reengineering in their firms should strive to have the best interests of the clients and employees at heart at all costs. They should also avoid moves that may not auger well with a majority of the taskforce or clientele. They should focus the areas of deficiency and the steps necessary to achieve acceptable performance. The local corporate sector, should adopt a standardized Business Process

Reengineering plan for all similar companies to avoid the perception crisis; where clients and employees may perceive the administrators as working on their own mandate to purposely impose their own tyrannical ideologies in the company. For successful implementation of BPR the research recommends employees to be encouraged to rapidly adapt to the new IT, assimilate IT knowledge and apply it in their daily routines, which is beneficial for the improvement of organization performance.

5.5 Implications of the Study on Policy, Theory and Practice

Under policy, the study findings will be useful to policy makers in the financial sector to ensure that business process reengineering is fully adopted and developed. The Central Bank of Kenya being the regulator of banks in Kenya should encourage the use of BPR as a strategic tool to gain competitive advantage, efficiency in service delivery and advanced technology. The policy makers in KCB Bank will find the study useful in formulating assessment on process changes, system changes and also organizational changes.

In theory, the study formed a foundation for academics and researchers to borrow from the findings to support literary citation, research on the gaps and development of themes for future studies. The study focused on KCB Bank, therefore there is need for further studies on other financial institutions and the entire Kenyan banking industry. The study will also serve as a point reference to the general public who are interested on KCB Bank and its uptake on business process reengineering. The staff of KCB especially in the IT and Business Reengineering departments will find the study results useful for implementation, piloting and drafting of future projects.

Under practice, the study recommends BPR as a strategic tool towards driving business growth, customer satisfaction and efficiency. The study findings will be useful to the management of KCB Bank and other financial institutions to monitor BPR and how it has affected change management and organizational performance. The study contributes to the financial sector in Kenya as a gauge to effects of business reengineering to the sector.

5.6 Limitations of the study

During the study a number of limitations were encountered by the researcher. The bigger challenge was time limitations by the respondents. Due to the nature of work of the respondents, the researcher could not inquire very deeply into a number of issues. Furthermore, some of the respondents were hesitant in divulging all the information despite being assured of anonymity and the use of the data only for research purposes. The researcher was also not able to collect data from the CEO and the two divisional directors as they were busy and one had to schedule an appointment several months beforehand. The study was undertaken as a case study of KCB Bank and may therefore not reflect the application of BPR practices in other banks. Most banks despite offering similar products custom-make their products tailored to competitively meet the demands of their customers, boost profitability and improve the market share.

5.7 Areas for Further Research

Since perceived factors affecting organizational performance and change management are vast, exhaustive research cannot be done when taking a holistic approach of these factors. Therefore, further studies should be done by taking each individual factor which would bring out an exhaustive and most comprehensive view of the relationship between organizational performance and change management with business process

reengineering. The study also recommends that further studies can be done on banks in Kenya since different banks have different work environments and these factors might have different effects on other banks.

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APPENDICES

Appendix I: Interview Guide

Section A: Demographic Information

1. Gender
2. Current position in the bank?
3. How long have you held the current position?
4. How many years have you worked in the bank?
5. Level of education

Section B: Business reengineering

1. What is your understanding of business reengineering within the bank?
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2. Prior to any changes in the bank, has any training, provision of manuals or documentation been done?
 - If yes, kindly outline how this has been done by the bank
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3. Outline some of the changes witnessed in the bank:
 - IT division
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- Company structure

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- Customer satisfaction

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- Service Delivery

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4. Outline how BPR has contributed to organizational performance in the bank

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5. Outline how BPR has contributed to change management in the bank

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6. Any notable recommendation and comments regarding reengineering in the bank

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Thanks for your time

Appendix II: Letter of Introduction



UNIVERSITY OF NAIROBI
SCHOOL OF BUSINESS
MBA PROGRAMME

Telephone: 020-2059162
Telegrams: "Varsity", Nairobi
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P.O. Box 30197
Nairobi, Kenya

DATE 18/09/2015

TO WHOM IT MAY CONCERN

The bearer of this letter FRIDAH CHEBET MOROGO


Registration No. DEI/73168/2009

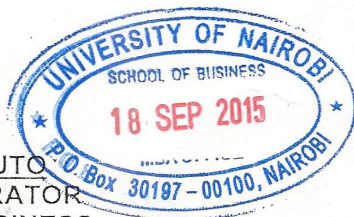
is a bona fide continuing student in the Master of Business Administration (MBA) degree program in this University.

He/she is required to submit as part of his/her coursework assessment a research project report on a management problem. We would like the students to do their projects on real problems affecting firms in Kenya. We would, therefore, appreciate your assistance to enable him/her collect data in your organization.

The results of the report will be used solely for academic purposes and a copy of the same will be availed to the interviewed organizations on request.

Thank you.


PATRICK NYABUTO
MBA ADMINISTRATOR
SCHOOL OF BUSINESS



Appendix III: Company Structure of KCB Bank

