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RESEARCH ARTICLE

INFLUENCE OF BUSINESS PROCESS RE-ENGINEERING ON EMPLOYEE PERFORMANCE IN HOMA BAY COUNTY ASSEMBLY, KENYA.

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Abstract

The main purposes of BPR consists of seeking to design ways of organizing tasks, redesigning IT systems and organizing people so that the processes reinforce the organization to realize its goals. The study employed a descriptive survey and inferential research design. The target population for the study were 107 out of which a sample of 85 arrived at using Yamane's formula was selected using stratified random sampling technique. Analysis of data was done using descriptive and regression analysis. The study established that innovative thinking, business process, radical change and organizational development all affected employee performance to great extents evidence by their weighted means of (4.2, 3.57, 3.65 and 3.86) respectively. The regression model indicated that there was correlation between the independent and dependent variables with an R of 0.809 at $p > 0.05$. The results show that with a one unit change in innovative thinking performance levels will increase by approximately 0.627 at $p > 0.009$. Secondly with a one unit change in process function the performance levels will increase by approximately 0.432 at $p < 0.021$. Thirdly with one unit change in radical change the performance levels will increase by 0.689 at $p > 0.006$. Lastly with one unit increase in organizational development the performance will increase by 0.584 at $p > 0.028$. In the academic field, future researchers can use the study as a reference point if one is researching on BPR and related topics. This study's findings would be of use to trainers in human resource in that it would aid them in knowing the areas which should be given more attention when training managers on the importance of BPR in their respective organizations.

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Introduction:-

As organizations strive to enhance their competitive positions in an increasingly turbulent marketplace, they are discovering that they can cut costs, maintain quality and improve their employee performance by undertaking organizational business reengineering. Business Process Re-engineering (BPR) refers to the way that entities processes recurrently operate, designing the processes, redundant effort or waste elimination and improve efficiency. The process implementation changes to gain competitiveness. The main purposes of BPR consists of seeking to design ways of organizing tasks, redesigning IT systems and organizing people so that the processes reinforce the organization to realize its goals (Peter & Sohal, 2009). There is no definite and universal definition of re-engineering hence the general failures or benefits of the concept are challenging to assess on a global scale. For this study, BPR will be operationalised into innovative rethinking, process function refocusing, radical change and organizational development and process function. However, it is generally agreed that Business Process Re-engineering is the fundamental rethinking and radical redesigning of a business process so that an institution can best create value for the customer by eliminating barriers that create distance between the employees and the customers (Luftman & Ben-Zvi, 2009).

Statement of the Problem:-

There is an outcry from the general public, the controller and auditor general and the development partners on lack of transparency and accountability in delivery of service by the government (Muchai, 2011).

In spite of the implementation of BPR, an evaluation of the influence of this process on performance has yet to be undertaken. Therefore this study aimed at filling the gap of the assessment by establishing the performance of the employees.

Specific Objectives:-

The specific objectives of this study were:

- i. To establish the influence of innovative rethinking on employee performance in Homa Bay County Assembly.
- ii. To determine the influence of process function refocusing on employee performance in Homa Bay County Assembly.
- iii. To assess the influence of radical change on employee performance in Homa Bay County Assembly.
- iv. To establish the influence of organizational development and process function on employee performance in Homa Bay County Assembly.

Research Hypothesis:-

H₁: There is no significance relationship between innovative rethinking and employee performance in Homa Bay County Assembly?

H₂: There is no significance relationship between process function refocusing and employee performance in Homa Bay County Assembly?

H₃: There is no significance relationship between radical change and employee performance in Homa Bay County Assembly?

H₄: There is no significance relationship between organizational development and employee performance in Homa Bay County Assembly?

Significance of the Study:-

In the academic field, future researchers can use the study as a reference point if one is researching on BPR and related topics. This study's findings would be of use to trainers in human resource in that it would aid them in knowing the areas which should be given more attention when training managers on the importance of BPR in their respective organizations and individuals in academics as a basis for future conceptual and empirical research which would be helpful in validating and refining findings particularly owing to current restructuring efforts being undertaken by organizations in Kenya. That is why this study is vital for the researcher, individual and organizations' employee.

Limitations of the Study:-

The main limitation of this study was that most County Assembly employees considered some information to be confidential and hence the employees held most of the information to themselves. The study overcame the limitation by making sure that the researcher had a letter from the university to reassure the respondents that information obtained was used for academic purposes only. The researcher also had to assure the respondents that the information will be kept confidential.

Many organizations are increasingly taking up the aspect of re-engineering in their firms. The County Assembly is a government that has been existing for the past two years. The researcher however made use of the little information available from the County Assembly to benchmark for other counties in Kenya.

Literature review:-

Kaptoge (2008) carried out a study on the implementation of business process reengineering for competitive advantage: a case study of the Wrigley Company. The study aimed to establish whether The Wrigley Company East Africa achieved operational competitive advantage by implementing Business Process Reengineering (BPR). In addition, the study aimed to explain the possible reasons why The Wrigley Company may have succeeded or failed to attain competitive advantage by implementing BPR. It was established that The Wrigley Company gained competitive advantage by implementing BPR. It was also established that it adopted the BPR practices that are critical for successful implementation. The late study focused on competitive advantage while the current study aims to look at performance.

Li and Atuahene-Gima (2001) assume that the evidence for an embedded innovative rethinking is subjective. Further, the literature provides two distinct types of strategic orientation measures. One identifies whether the organization has an innovation strategy (Cooper, 2011). The other assumes that rethinking exists and explores its effectiveness by further measures of strategic fit (Bessant, Kaplinsky & Lamming, 2003). It has been found that more innovative firms adopt different operational strategies to accommodate flexibility and quality capabilities and have a range of different financial means to facilitate slack resources.

Mathenge (2013), carried out a study that to investigate the effects of innovation on competitive advantages of telecommunication companies in Kenya. The study used survey co-relational research design. The target population for the study was of 250 respondents. The study findings made the following conclusions and recommended on the same: telecommunications companies indicated growth through financial innovations that gave them a competitive advantage in the ICT (Information, Communication and Technology) field; financial innovation affects positively the performance of telecommunications companies to a great extent hence they are considered often important for developing services in the telecommunication companies giving them the competitive advantage in the telecommunications field; telecommunication companies have different aims of strategic innovations that provide the companies with the competitive advantage. This study focused on effects of innovation on competitive advantage, the current study however in departure considers not just innovation but other reengineering methods and looks at their influence on performance and not competitive advantage as the earlier study did Mburu (2013) investigated the effects of technological innovations on financial performance of commercial banks in Kenya. The study recommended that banks must be focused in terms of their needs and using the right technology to achieve goals, rather, than acquiring technology because other banks have it. Regulatory authorities like Central Bank of Kenya must stipulate standards for the banks to follow to avoid making Kenya Banking Sector a dumping ground for the outdated technological infrastructures.

According to Bekerman (2003), continuous improvement, teamwork, consistency, measurement and analysis are the 4 keys to building quality in any organization. Training is the glue that binds them together. Naim and Barlow (2003) posits employees need to know the organization's mission, goals, and be aware of the competition. Employees need a continuous learning experience to perform competently, gain the pride of workmanship and self-esteem to be full contributors to the improvement process. They need to be educated in the concept of Continuous Improvement, on the statistical tools needed to maintain the stability of the processes, on the procedures and the technical skills required to perform their jobs. Supervision and management need to be trained in the interpersonal skills needed to succeed in the work environment.

According to Meyer and Stensaker (2006) organizations need to develop capacity for change, by allocation and development of change and operational capabilities that sustain long term performance. They argue that making change happen without destroying well-functioning aspects in an organization and harming subsequent changes requires both capabilities to change in the short and long term, and capabilities to maintain daily operations.

Mutua (2010) sought to establish the influence of business process re-engineering practices on customer satisfaction in Kenya Power and Lighting Company Limited. Business process reengineering is the main way in which organizations become more efficient and modernized. It transforms an organization in ways that directly influence performance. Customers are now very diverse, segmented, and are more expectant and thus competition has intensified to meet the needs of customers in every niche. Change has consequently become pervasive, persistent, faster and in some markets a pre-requisite. Reengineering in this environment helps to facilitate a match between market opportunities and corporate capabilities, and in doing so, it represents a radical shift away from the traditional task-based thinking to process-based thinking. In this study, two hundred and twenty (220) Kenya Power and Lighting Company Limited customers were selected and interviewed in the subsequent survey. Out of which, sixty (60) belonged to Nairobi North, seventy four (74) Nairobi West and eighty six (86) Nairobi South. The sample was drawn through proportionate stratified sampling technique. This study proposed a frame-work and a methodology for identifying the sub regions where the customers are located. In this study logistic regression analysis was applied. The results indicated that positive relationship between the KPLC products and services and respondents'; gender, level of formal education, age, account held, length of time the account has been in operation and area of residence. However the most significant was the association between the respondents' residence and the level of satisfaction.

This study focused on customers of the organization and not considering the people giving out the services. The current study fills that gap by now putting attention on the employees of the organization.

Mintzberg, Quinn and Ghosal (2008) say that rejuvenating a mature organization is impossible without commitment from the top since initial moves are often made by a new chief executive. Building a top team dedicated to change provides continuity and reduces the risks that the process will falter if one person leaves.

Abdul (2013) noted that organizational development helps an organization to gain insight and understanding from its own experience. Specific development activities help focus on organisation on acquiring, storing and utilizing employee knowledge for problem solving, dynamic leaning, strategic planning and decision making. It also prevents intellectual assets from decay, adds to firm intelligence and provides increased flexibility. According to Gray (2011), organizational development process is an audit of employees capabilities" that highlights critical functions and potential bottlenecks, which hinder development in an organisation. Organizational complements and enhances other organizational initiatives such, enhanced organizational effectiveness.

Muogbo (2013) explored the impact of BPR on organizational growth and development of selected manufacturing firms in Anambra State in Nigerian. Results from the analysis indicated that the adoption of BPR has significant effect on competitiveness and significant effect on employee's performance and has significantly increased organizational productivity. In departure from Muogbo study that looked at organizational growth and development the current study will look at organizational performance in terms of increased personnel output and improved service delivery.

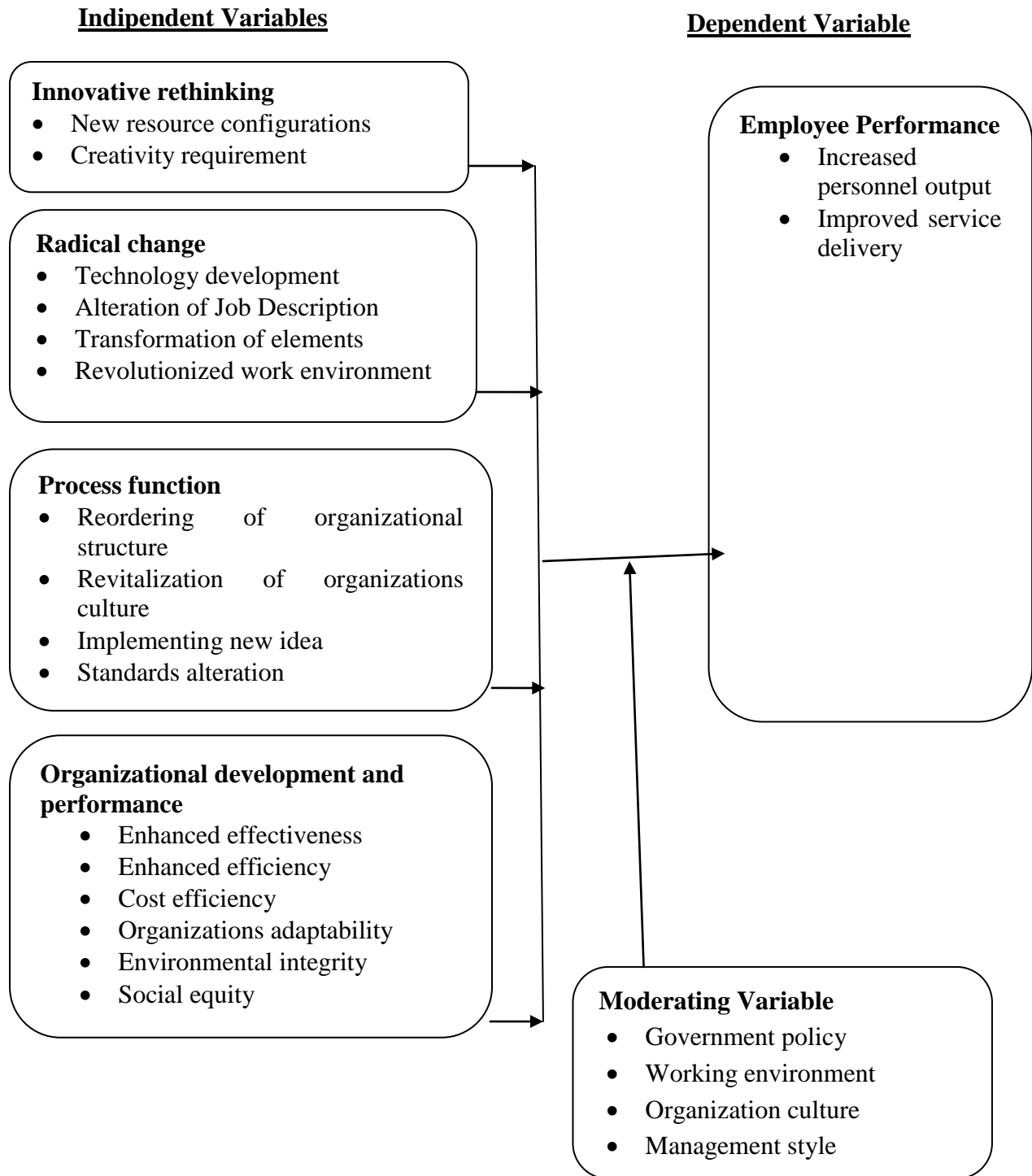


Figure 2.1: Conceptual Framework

Research methodology:-

Research Design

The design also has enough provision for protection of bias and maximized reliability (Kothari, 2008). Inferential statistics tries to reach conclusions that extend beyond the immediate data alone (Creswell, 2003).

Target Population:-

The target population of this study was composed of 107 employees of Homa-Bay County Assembly (GoK, 2014). These comprise of staff in the Clerk's Department, Human resource department, Sergeant-at- arms department, Finance and accounting department, Hansard and ICT department and others general staff.

Table 3. 1: Reliability and Validity

Variable/Construct description	Coefficient Alpha Reliability	Number of Item
Innovative rethinking	0.838	5
Business process	0.912	5
Radical change	0.814	4
Organizational development	0.781	7
Average	0.836	21

Source: Research Data (2015)

The reliability of the questionnaire was evaluated through Cronbach's Alpha which measures the internal consistency. The Alpha measures internal consistency by establishing if certain item measures the same construct. Cronbach's Alpha was established for every objective in order to determine if each scale (objective) would produce consistent results should the research be done later on. The findings of the pilot study shows that all the four scales were reliable as their reliability values exceeded the prescribed threshold of 0.7 (Mugenda & Mugenda, 2003).

Data Analysis:-**Regression Analysis**

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.809	0.655	0.609	0.195

Source: Research Data (2015)

Table 4.5 is a model fit which establish how fit the model equation fits the data. The adjusted R^2 was used to establish the predictive power of the study model and it was found to be 0.609 implying that 60.9% of the variations in employee performance are explained by innovative rethinking, radical change, organizational development and process function leaving 39.1% percent unexplained.

ANOVA Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1.041	4	0.260	4.070	4.97E-03
	Residual	4.604	52	0.064		
	Total	10.645	56			

Source: Research Data (2015)

From the ANOVA statistics, the processed data, which are the population parameters, had a significance level of 0.00497 which shows that the data is ideal for making a conclusion on the population's parameter. The F calculated at 5% Level of significance was 4.070. Since F calculated is greater than the F critical (value = 2.56), this shows that the overall model was significant that is there is a significant relationship between organizational culture and employee performance.

Coefficients of Determination

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.351	0.432		3.127	0.002
	Innovative rethinking	0.627	0.236	0.627	2.657	0.009
	Radical change	0.689	0.248	0.689	2.778	0.006
	Organizational development	0.584	0.262	0.584	2.229	0.028
	Process function	0.432	0.185	0.459	2.335	0.021

Source: Research Data (2015)

The established model for the study was:

$$Y = 1.351 + 0.627 X_1 + 0.689 X_2 + 0.584 X_3 + 0.432 X_4$$

The regression equation above has established that taking all factors into account (innovative rethinking, radical change, and organizational development and process function) constant at zero employee performance was 1.351. The findings presented also show that a unit increase in the scores of innovative rethinking would lead to a 0.627 increase in the scores of employee performance. The findings also indicate that innovative rethinking significantly affects employee performance ($p = 0.009$). The findings are in line with Drucker (2013) that innovations can lead to competitive advantage that can be exploited by innovative firms. The study also found that a unit increase in the scores of radical change would lead to a 0.689 increase in the scores of employee performance. The findings also indicate that radical change significantly affects employee performance ($p = 0.006$). This concurs with Parker et al. (2003) that change leads to new ideas, technology, innovation and improvement. Therefore, it is important that organizations recognize the need for change and learn to manage the process effectively.

Hypothesis Testing:-**Chi-Square Test for innovative rethinking and employee performance**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.054 ^a	4	.006
Likelihood Ratio	19.062	4	.004
Linear-by-Linear Association	1.884	1	.170
N of Valid Cases	123		

a. 5 cells (50.0%) have expected count less than 5. The minimum expected count is .08.

The calculated Pearson Chi-Square value is 18.054. The associated P-Value (Asymptotic significance) is .006. This value is less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can be drawn from the study that 'There is a significant relationship between innovative rethinking and employee performance in Homa Bay County Assembly'.

Hypothesis 2: Process Function:-**Chi-Square Test for process function and employee performance**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	15.768 ^a	4	.015
Likelihood Ratio	18.034	4	.006
Linear-by-Linear Association	3.115	1	.078
N of Valid Cases	123		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .77.

The calculated Pearson Chi-Square value is 15.768. The associated P-Value (Asymptotic significance) is 0.015. This value is less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can be drawn from the study that 'There is a significant relationship between process function and employee performance in Homa Bay County Assembly'.

Hypothesis 3: Radical Change:-**Chi-Square Test for radical change and employee performance**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	29.639 ^a	12	.001
Likelihood Ratio	27.599	12	.001
Linear-by-Linear Association	2.609	1	.106
N of Valid Cases	123		

a. 8 cells (56.3%) have expected count less than 5. The minimum expected count is .08.

The calculated Pearson Chi-Square value is 29.639. The associated P-Value (Asymptotic significance) is 0.001. This value is less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and

therefore we reject it. A conclusion can be drawn from the study that ‘There is a significant relationship between radical change and employee performance in Homa Bay County Assembly’

Hypothesis 4: Organizational Development

Chi-Square Test for organizational development and employee performance

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	19.951 ^a	8	.003
Likelihood Ratio	23.386	8	.001
Linear-by-Linear Association	.022	1	.882
N of Valid Cases	123		

a. 5 cells (50.0%) have expected count less than 5. The minimum expected count is .33.

The calculated Pearson Chi-Square value is 19.951. The associated P-Value (Asymptotic significance) is 0.003. This value is less than 0.05 (5% level of significance) indicating that there is evidence against the null hypotheses and therefore we reject it. A conclusion can be drawn from the study that ‘There is a significant relationship between organizational development and employee performance in Homa Bay County Assembly.’

Summary:-

On determining the influence of process function refocusing on employee performance in Homa Bay County Assembly. The study established process function affect employee performance to a great extent. The study also established that that reordering of organizational structure (change in the order of the county structure deters your working) greatly influence employee performance. The study further found that altering the shared standards (any alterations at place of work affects your services), norms and values of the organization (The values of your organization affect work performance) and implementing the new idea (you find it hard coping with new ideas) influenced employee performance to a moderate extent.

On assessing the influence of radical change on employee performance in Homa Bay County Assembly. The study found that radical change affect employee performance to a very great extent. The study found that technology advancement (technology improving boosts your work) and improvement affect employee performance to a very great extent. The study further found that transformation of organizational element (a change in the composition of your work decreases your morale to work) and revolutionized work environment (a new working environment increases your working) affects employee performance to a great extent.

To establish the influence of organizational development and process function on employee performance in Homa Bay County Assembly. The study revealed that organizational development affect employee performance to a great extent. The study further established that enhanced effectiveness (quick response from management to situations boosts morale for work) affects employee performance to a great extent. Enhanced efficiency (improved quality of work makes you want to work more) affects employee performance to a great extent, cost efficiency (reduced cost attract better services) affects employee performance to a great extent, employee motivation (occasional motivation elements such as recognition makes you feel good) and organizational adaptability (when you adopt to the work you do you deliver more) affects employee performance to a great extent.

From the regression analysis the study found that innovative rethinking, radical change, and organizational development and process function positively and significantly affect employee performance. Overall the study found that radical change had the greatest effect on the employee performance, followed by innovative rethinking and organizational development while process function had the least effect to the employee performance.

Conclusions:-

From the summary of the findings the study concludes that all the independent variables innovative thinking, process function, radical change and organizational development all affect employee performance but at varying extent.

Innovative Rethinking affected employee performance to a great extent, process function affected performance to a great extent, radical change affected performance to a very great extent and Organizational Development and Employee Performance was revealed to affect performance to a great extent.

The study further concludes that the organizational reengineering methods all had a positive effect on the performance of Homa Bay County. Radical change had the greatest effect on the employee performance, followed by innovative rethinking and organizational development while process function had the least effect to the employee performance.

Recommendations:-

Based on the summary of the findings and conclusions, the study recommends:

- i. That, the County assembly should adopt creativity / inspiration at work to make their employees work more efficiently.
- ii. The study also recommends that the manager should come up with new resource configurations such as introduction of new resources that can improve employees' ability to work and also on the amount of information available to employees regarding their roles so as to improve on performance. In addition, based on the findings it may be recommended that County governments should minimise environmental uncertainties mechanisms and relationships with suppliers as these aspects greatly affect employee performance.
- iii. That management reorder their organizational structure and avoid altering the shared standards as this negatively affects employees' performance. There is need for organizations to; uphold norms and values of the organization and implement new ideas that positively influence employee performance.
- iv. The study also recommends that the county assemblies should improve on technology and transform organizational elements to revolutionize work environment as these changes leads to new ideas, technology, innovation and improvement. The study finally recommends that to improve the effectiveness and performance of the employees at the county assemblies, the County government should enhance quick response from management to situations that boosts morale for work, develop programmes to motivate the employees and enhance organizational adaptability.

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