



EFFECT OF BUSINESS PROCESS RE-ENGINEERING ON ORGANIZATIONAL OBJECTIVES, A STUDY OF UNION BANK PLC, OKPARA AVENUE, ENUGU.

**Melletus Uchechukwu Agbo
Kenneth Nnagbogu Eziedo**

Authors' Affiliation

Department of Business
Administration
agbomelletus@yahoo.com
+2348068461879

Keywords:

Business Process,
Re-engineering,
Organizations,
Objectives
Performance.

ABSTRACT

This study aimed to examine the effect of business process re-engineering on organizational objectives with respect to union bank plc, Garden Avenue Enugu. The population of the study is fifty-eight staff. The researchers adopted the survey design. The study revealed that there is a significant effect of business process re-engineering on employee performance. The study recommended among others that management should re-engineer all the departments and the units for better performance,

INTRODUCTION

1.1 Background to the Study

Today world of business has become so competitive that, many firms tend to re-engineer their businesses to be efficient and competitive in the industry they operate. Business Process Re-engineering (BPR) has therefore become a competitive tool that firms are employing with the purpose of helping organizations to build themselves with contemporary technologies business solution and innovations (Sharma, 2016). For the firm to experience increased efficiency, enhance productivity and as well realized profitability, there should be a dramatic change with respect to the design of firm's processes (Graham, 2010).

BPR has been seen as crowd of interconnected which creates value through integration of firm's processes (Habib and Wazir, 2012). Marjanovic (2010) shared the fact that the contemporary business process environment in which an organization exists is becoming increasingly dynamic. The pressing needs to improve the existing business process and employee performance in an organization, results in the appearance and application of a new field named BPR. Evans and Berman (2010) reflected that customers wish to obtain quality product and service with minimum price and time. Meanwhile, many organizations stick to the traditional way of producing products and rendering service which breeds inefficiency and disappoints organizations stakeholders and clients.

1.2 Statement of the Problems

BPR does not only mean change that organization requires but the change should be dramatic (Balasubramanian, 2010). The components of dramatic changes include overall structures of organization, systems of management, responsibilities of employees, performance measurement, use of IT, skills development as well as incentive systems. It is worth mentioning that BPR has the potential to impact of the overall conduct of business practices and the tendency to make firms competitive among industry

players as the change can result in either success or failure (Khuzaimah, 2001).

BPR is one critical strategy that firms adopt in managing change in such a way that, firms also require support from every member of the organization. Sometimes even after reengineering, the firm does not experience any improvement but rather contribute negatively on the organization since customers may find it difficult to adapt to these changes likewise the employees. This attest to the fact that, not all BPR projects that firms embark have been a success resulting in increased performance (Shin and Donald, 2002).

Lack of dramatic change has become one common challenge that businesses face nowadays resulting in the introduction of BPR strategies to curtail such problems. Most problems that the dramatic change poses to businesses include lack of clear vision from senior management, monitoring BPR projects and as well inability of employees to give support and commitment to the new paradigm shift (Graham, 2010). One important challenge worth mentioning is the fact that, management is not able to manage firms balancing measures of performance in a form of layoffs, quality service delivery, cost of operation, speed in delivery as well as other stakeholder's desires. This is because of re-engineering; many people may be laid off hence employees may not be willing to support the re-engineering strategies. It is against this backdrop that this study tends to investigate the effect of business process re-engineering on organizational objectives with reference to Union bank Plc. Umuahia, Abia state.

1.3 Objectives of the Study

The aim of this study is to determine the effect of business process re-engineering on organizational objectives with respect to Union bank Plc. Enugu, Enugu State. Specifically, the study is to:

- i. determine the effect of business process re-engineering on employee performance of Union bank Plc. Enugu, Enugu State
- ii. examine the impact of changes in organizational strategies on the performance of Union bank Plc. Enugu, Enugu State.

1.4 Research Questions

To accomplish the objectives of the study, the following research questions are formulated:

- i. What are the effects of business process re-engineering on employee performance OF Union bank Plc. Enugu, Enugu State?
- ii. What the impact are of changes in organizational strategies on the performance of Union bank Plc. Enugu, Enugu State?

1.5 Research Hypotheses

H0₁: There is no significant effect of business process re-engineering on employee performance of Union bank Plc Enugu, Enugu State?

H0₂: There is no significant impact of changes in organizational strategies on the performance of Union bank Plc Enugu, Enugu State?

REVIEW OF RELATED LITERATURE

2.1 Conceptual Framework

2.1.1 Business Process Re-engineering

Many authors attempt to explain BPR, but it is important to note that the world is going towards global competition and companies, institutions as well as organizations are adopting strategies and mechanisms to understand the effect of reengineering on different variables like cost, cycle time, service, and quality.

With understanding of these factors, companies and organizations would like to change their activities towards achieving their objectives in a more practical and

meaningful manner. BPR is the total transformation of a business, and unconstrained reshaping of all businesses, technologies, and management systems, as well as organizational structure and values, to achieve quantum leaps in performance throughout the business (Crowe et al. 2002). Maureen et al., (1995) is of the opinion that, the foundation of BPR takes its root from management theories that existed since the 19th century aimed to revamp and put strategies in place to enhance employee's performance.

When businesses desires to reengineer firms' processes, they are strategies are basically rethinking and redesigning the business processes to gain advantages in terms of cost efficiencies, lead time advantages, improve service delivery practices and as well be the leader in innovativeness (Hammer and Champy, 1993). Shama 2006 is of the opinion that, BPR is the desire to transform our business processes that are part of larger organizational functions to be able to solve organization problems.

The goal of business process re-engineering is to change and redesign the existing business processes and practices to achieve significant growth, sustainability, and overall performance of the organizations through transformed processes. From the above definition that the various authors explore, it can be deduced that, BPR turns to bring radical change to the business and to improve on business processes that are not beneficial as well as not competitive.

Berihu-Assefas (2009) also stipulated that, BPR began and operate as a strategic technique that help organizations basically to rethink their work by creating effective and vibrant working environment for their employees by enhancing their effort to meet their customers demand, improve customer service, cut operational costs, and become world class competitors. BPR is practiced by most organizations, stressed the need for the management to come out with innovative measures, more economical and

effective way to meet customers demand and expectation while meeting the organizational goals.

Theoretical Framework

Wernerfelt's Resource Based View Theory (RBV)

BPR has its root in the resource-based view (RBV) theory. Penrose (1959) provides insights into the resource-based perspective of the firm. The view holds that firms can gain resources than their competitors. The focus is on using the RBV concepts to theories how BPR implementation enhances organizational resources by equipping the organization with effective processes, structures and system that are necessary for the achievement of organizational goals.

As opposed to the externally focused perspective, which relates organizational performance to competitive positioning and environmental factors, the RBV seeks to relate the sources of superior performance to efficient and effective use of internal organizational resources (Barney, 2001). RBV argues that resources have the characteristics to deliver services or produce goods more economically (with less cost) and/or to better meet customer wants. In so doing, organizations with superior resources can deliver greater value to their stakeholders at a lesser cost (Peteraf and Barney, 2003).

Empirical Review

Baiden, (2016) study focused on investigating into organizational re-engineering and its effects on employees' performance. The population of the study comprised of employees at Toyota Ghana Limited. The study collected data using questionnaires and interview guide. The study adopted purposive sampling technique in selecting respondents. The study adopted regression analysis to establish the relationship between Business process re-engineering and performance. Descriptive analysis was also used to give explanations to the analysis. The study was conducted on a total of 55 employees and a

100% response rate was recorded. The study found that, information technology, special service tool, achieving 100% super liability rate, provision of spare parts to meet schedule, changes in organizational strategy, effective training of staff and a conducive workplace culture were re-engineering efforts being practiced at Toyota Ghana Limited. Employees are also in full support of re-engineering efforts of Toyota to enhance their performance in the areas of skill upgrading, teamwork, good working environment and design of work. However, longer training period, frequent information technology failures, staff adaptation, unavailability of team members, constantly reminding employees and to maintain high standard are some challenges confronting Re-engineering efforts of Toyota Ghana Limited. The study recommended periodic rating and staff assessment, continuous evaluation of work processes, technology maintenance and effective brainstorming as strategies to improve re-engineering that Toyota embarks on to enhance employee performance.

In their study, Ensermu and Moothy, (2013) sought to assess the effect of BPR on organizational performance of Bureau of Finance and Economic Development (BoFED). The data for the study were obtained from primary source that was analyzed. In the study, both quantitative and qualitative data collection methods were employed. The instrument used to gather data for quantitative study was Likert scale questionnaire whereas for qualitative was used observation and interview. Major findings were customers of BoFED satisfied with speed of service delivery, quality of service, cycle time. However, in the bureau still there is no strong base line performance evaluation system, employees have not given any benefits regarding salary increment, compensation, promotion and empowerment up to this moment. Based on the finding of the study the paper concluded that business process reengineering has become useful weapon for any organization that is seeking for improvement in their

current organizational performance and intends to achieve organizational objective. It recommended that reengineering process remains effective tool for organizations striving to operate effectively and efficiently.

METHODOLOGY

Research Design

The researchers adopted the survey design for the study. Multiple choice questions were also used in designing the questionnaire to exhaust all the possible responses which is relevant to the work.

Sources of Data Collection

Both primary and secondary source of data were utilized in gathering the information relevant for this work.

Primary data: Primary data Primary data consist of the use of questionnaire.

Secondary data: Secondary data was also adopted in this research work especially in its reference to back up the theoretical work. Some of the secondary sources utilized included textbooks, lecture material, seminar paper and related articles in academic journals and from the internet.

3.3 Population of the Study

The population of this study comprises the staff of Union bank Plc. Enugu State, totaling 58 staff (Annual Yearbook, 2023).

3.6 Description of the Instrument

DATA PRESENTATION AND ANALYSIS

4.0 Introduction

This section focuses on the evaluation and discussion of result from the analysis upon which the model specified in the previous chapter is based.

The instrument for collection of data for this research study is questionnaire, as this is used to obtain the necessary data from the respondents. And also, from the annual financial report of Nigerian bottling company plc. Enugu State, through their website. The extent of existence for all variables in the research area will be measured on a five-point Likert scale ranging from strongly disagree to Strongly Agree, ranging from 1 -5. Where Strongly Disagree (SD) =1; Disagree (D) =2; Neutral (N) = 3, Agree (A) =4 and-Strongly Agree (SA) = 5.

The researchers used Test-Retest reliability to test the consistency of different administrations and to determine the coefficient reliability of this research. Sixty (60) questionnaires were given to a set of respondents and obtained result. At interval of two weeks and 62 questionnaires were administered to another set of respondents were the results obtained was the same as that of the first groups, hence the reliability of the research instrument.

3.9 Method of data Analyses

Data for the study were analyzed using frequency distribution table, and percentages was used to analyze the data from the questionnaire, while simple regression and correlation with the use of SPSS were used to analyze the hypotheses.

4.1 Demographic Variables

Table 4.1.1 Distribution of questionnaire to staff of Union bank Plc. Enugu, Enugu State, and response rate.

Total copies of questionnaire	Respondents	Percentage (%)
Number returned	54	93.10
Number not returned	4	6.89
Total	58	100

Source: Field survey, 2023

Table 4.1.1 shows the number of questionnaires that was distributed by the researcher as 58 and the number returned as 54 which makes up 93.10% of the total number while the remaining 4 copies which makes up 6.89% were not returned. The workable sample size took at 54 instead of 58.

4.2 Data Presentation

Table 4.2.1 Effect of business process re-engineering on employee performance of Union bank Plc. Enugu, Enugu State.

Business process re-engineering

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agreed	24	44.4	44.4	100.0
Agreed	23	42.6	42.6	55.6
Undecided	2	3.7	3.7	13.0
Disagreed	3	5.6	5.6	9.3
Strongly Disagreed	2	3.7	3.7	3.7
Total	54	100.0	100.0	

Source: Field survey, 2023

From table 4.5 above it could be seen that 24 respondents representing 44.4% strongly agreed, 23 respondents agreed that there is effect of business process re-engineering on employee performance of Union bank Plc. Enugu, Enugu State., 2 respondents were undecided, 3 respondents disagreed and 2 strongly disagreed that there is no effect of business process re-engineering on employee performance of Union bank Plc. Enugu, Enugu State

Table 4.2.2 Impact of changes in organizational strategies on the performance of Union bank Plc. Enugu, Enugu State.

Changes in organizational strategies

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly Agreed	27	50.0	50.0	100.0
Agreed	20	37.0	37.0	50.0
Undecided	2	3.7	3.7	13.0
Disagreed	2	3.7	3.7	9.3
Strongly Disagreed	3	5.6	5.6	5.6
Total	54	100.0	100.0	

Source: Field survey, 2023

From table 4.6 above it could be seen that 27 respondents representing 50.0% strongly agreed, 20 respondents agreed that there is impact of changes in organizational strategies on the performance of Union bank Plc. Enugu, Enugu State, 2 respondents were undecided, 2 respondents disagreed and 3 strongly disagreed that there is no impact of changes in organizational strategies on the performance of Union bank Plc. Enugu, Enugu State.

4.3 Test of Hypotheses

Table 4.3.1 Regression results showing the effects of business process re-engineering on employee performance of Union bank Plc. Enugu, Enugu State

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.970 ^a	.941	.940	.34000	.442

a. Predictors: (Constant), Increased productivity, Specialization of labour

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	-.421	.114		-3.701	.000	-.646	-.196
Specialization of labour	.616	.073	.607	8.480	.000	.472	.759
Increased productivity	.438	.084	.374	5.221	.000	.272	.603

a. Dependent Variable: Increased staff efficiency

R = 0.970

R-Square = 0.941

Adjusted R-Square = 0.940

T – Statistic = 8.480

Source: Researcher's Estimation 2023

From table 4.3.1 the coefficient of determination R-square of 0.941 implies that 94.1% of the sample variation in the dependent variable is explained or caused by the explanatory variable while 5.9% is unexplained. The remaining could be caused by other factors or variables not built into the model. The high value of R-square is an indication of a very good relationship between the dependent variable. The value of the adjusted R^2 is 0.940 this shows that the regression line which captures 94.0% of the total variation in the dependent variable is caused by variation in the explanatory variable specified in the model with 6.0% accounting for the stochastic error term. The T-statistics was also used to test the overall significant of the mode. The high and positive T-statistics value of 8.480 is an indication that the model is statistically significant at 5 percent level of significance.

Hypothesis one

H0₁: There is no positive and significant effect of business process re-engineering on employee performance of Union bank Plc. Enugu, Enugu State

With reference to Table 4.9, calculated t-statistics of 8.480 is greater than the critical value (i.e. 1.984). The null hypothesis is rejected and the alternative accepted. This means that there is positive and significant effect of business process re-engineering on employee performance of Union bank Plc Enugu, Enugu State

Table 4.3.2 Regression results showing the impact of changes in organizational strategies on the performance of Union bank Plc. Enugu, Enugu State

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.970 ^a	.941	.940	.33546	.447

a. Predictors: (Constant), Better financial flow, Yield best results

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	-.065	.118		-.548	.585	-.299	.169
Yield best results	.599	.071	.608	8.480	.000	.459	.739
Better financial flow	.431	.083	.374	5.215	.000	.268	.595

a. Dependent Variable: Enhance managerial efficiency

R = 0.970

R-Square = 0.941

Adjusted R-Square = 0.940

T – Statistic = 8.480

Source: Researcher's Estimation 2023

From table 4.3.2 the coefficient of determination R-square of 0.941 implies that 94.1% of the sample variation in the dependent variable is explained or caused by the explanatory variable while 5.9% is unexplained. The remaining could be caused by other factors or variables not built into the model. The high value of R-square is an indication of a very good relationship between the dependent variable. The value of the adjusted R^2 is 0.940 this shows that the regression line which captures 94.0% of the total variation in the dependent variable is caused by variation in the explanatory variable specified in the model with 6.0% accounting for the stochastic error term. The T-statistics was also used to test the overall significant of the mode. The high and positive T-statistics value of 8.480 is an indication that the model is statistically significant at 5 percent level of significance.

Hypothesis two

H0₂: There is no significant impact of changes in organizational strategies on the performance of Union Bank Plc, Enugu, Enugu State

With reference to Table 4.10, calculated t-statistics of 8.480 is greater than the critical value (i.e., 1.984). The null hypothesis is rejected and the alternative accepted. This means that there is positive and significant impact of changes in organizational strategies on the performance of Union bank Plc Enugu, Enugu State

5.1 Summary of Findings

Based on the results of the study, it is found out that.

- i. There is positive and significant effect of business process re-engineering on employee performance of Union bank Plc Enugu, Enugu State
- ii. There is positive and significant impact of changes in organizational strategies on the performance of Union bank Plc Enugu, Enugu State

5.2 Conclusion

Organizational development and performance in recent time is a continuous process and new strategies and innovations and its implementations within the organization, and organizations will have a competitive advantage if it effectively designs and implement business process reengineering selected processes. Business Process Reengineering seeks for total transformation and reshaping of businesses and its management system. Total transformation of businesses and its structure are unconstrained reshaping of all businesses, technologies, and management systems, as well as organizational structure and values, to achieve quantum leaps in performance throughout the business. To satisfy customers with quality product and services, organizations

must adopt new ways of doing things. Due to dynamic and competitive nature of businesses, organizations need to adopt the business process reengineering strategies to survive the intense competition.

5.3 Recommendations

The study recommended that.

- i. Management should try to reengineer all departments and units that suffer from performance problems for the purpose of making core changes that increase efficiency in raising performance level.
- ii. There is a need to consider the factors that contribute to the success of reengineering process in the organization.

REFERENCES

- Agarwal, O. P. (2010). Turnaround management with business process re-engineering. Mumbai India: Himalaya Pub. House.
- Baiden Q. M., (2016). Effect Of Organizational Re-Engineering On Employees Performance Case Study Of Toyota Ghana Limited *A thesis Submitted to the Department of Marketing and Corporate Strategy, Kwame Nkrumah University of Science and Technology (KNUST), in partial fulfillment of the requirement for the degree of Masters of Business Administration (Strategic Management and Consulting Option) (Faculty of Art and Humanities, School of Business)*
- Chen, S. (2012). The customer satisfaction–loyalty relation in an interactive e-service setting: The mediators', *Journal of Retailing and Consumer Services*, 19, 202-210.
- Chepkemioi J., and Muya J., (2016). Re-Engineering Process as a Determinant of Employees performance in Kenya Forest Service in Uasin Gishu County, Kenya. *IOSR Journal of Business and Management (IOSR-JBM)* e-ISSN: 2278-487X, p-ISSN: 2319
- Foley, H, & Qajar, A. (2014). Importance of density in the design of new adsorbents for technological applications', *Industrial and Engineering Chemistry Research*, 53(50), 19649-19652.
- Harrington, H. J. (2012). Streamlined process improvement: The breakthrough strategy to

reduce costs, improve quality, increase customer satisfaction, and boost profits. New York: McGraw-Hill.

Jeston, J., and Nelis, J. (2008). *Management by process: A roadmap to sustainable business process management*. Amsterdam: Elsevier/Butterworth-Heinemann.

Kronenfeld, J. J. (2009). *Social sources of disparities in health and health care and linkages to policy, population concerns, and providers of care*. Bingley, U.K: Emerald.

Luke, J. (2012). *Fast forward your customer service: 10 steps to achieve exceptional customer satisfaction*. Singapore: Candid Creation Pub.

Mohammad I. A., (2018). *Impact of Business Processes Reengineering on Employees Performance in Jordanian Electricity Distribution Company. International Journal of Business and Social Science Vol. 9 • No. 12*

Mwaura I. M., (2016). *Business Process Re-Engineering and Operational Performance at Nairobi City County. A Research Project Submitted in Partial Fulfillment of the Requirements for the Award of the Degree of Master of Business Administration (MBA), School Of Business. University Of Nairobi*

Naibei C. I., (2017). *Business Process Reengineering Practices and Performance of Pharmacy and Poisons Board in Kenya. A research project submitted to the school of business in partial*