Factors Affecting Readiness for Business Process Reengineering-Developing and Proposing a Conceptual Model

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Abstract

In this paper researcher made an effort to suggest an approach to minimize risk of implementing Business Process Reengineering (BPR) initiatives by identifying certain factors crucial towards creating readiness for BPR. Lack of readiness is main factor behind high rate of BPR failures. Extensive literature review and interviews from the panel of experts provided sufficient background information. Leadership style, Information technology (IT), Top management commitment and collaborative working figured out as critical factors towards creating readiness. Regular leadership actions consistent with organizational environment, collaborative working, Information Technology and Top management commitment could promote coherence in organizational members' readiness perceptions. Assessing BPR readiness can address strong points, weak points and risks, and hence the ranking/level of readiness in the organization.

Keywords: Business process reengineering, Business process readiness, Critical success factors, Organizational change.

1. Introduction

Processes have been under vivid review by organizations in recent years and creation of more flexible, collaborative, coordinative and communication based capabilities are emphasized (Valiris & Glykas, 2004). The way of thinking about "business processes" has been changed to be competitive in global market (Adesola & Baines, 2005). Process is a set of activities which converts inputs into outputs (Temponi, 2006; Wu, 2003). Outputs are significant when they produce value for the customers. Over the period of time various methods have been devised to speed up and improve the processes (Chan & Spedding, 2003; MacIntosh, 2003).

Research findings in the relevant field have proved that redesigning of processes leads toward dramatic improvements in performance (Revere, 2004).Processes are analyzed with the tool of Business process reengineering (BPR) and subsequently modified to improve service and to be cost effective (Vidovic & Vuhic, 2003). Added focus on business integration and redefined inter-organizational relationships have further increased the importance of BPR. It is considered as a risky operation and almost 80 percent of these initiatives result into failure (Chiplunkar, Deshmukh & Chattopadhyay 2003).

The inherent risk has led to investigation of certain critical factors some of these relates to readiness critical towards management of risk (Adigun & Biyela, 2003; Reijers & Mansar, 2005).In BPR, large-scale "radical redesign" is considered to gain "dramatic improvements. Therefore, BPR is defined as total transformation of a business, an unconstrained reshaping of all business processes, technologies and management systems, as well as organizational structure and values, to achieve quantum leaps in performance throughout the business (Abdolvand, Albadvi & Ferdowsi,2008). Thus, organizations should not try the BPR before meticulous examination of all phases and stages of the project. Moreover, it is necessary to investigate the underlying corporate culture that holds the beliefs and values influencing everyone's behavior and expectations.

Factors defining readiness of organizations for BPR need to be explored to ascertain their relevance in the context. This paper explores those factors that create the requisite readiness to embark upon BPR initiatives. While there are many different pros and cons for the implementation of BPR, an appropriate model for assessing the readiness for BPR is valuable for its successful implementation. Managers need correct information about those factors defining the current situation, vision of future that is desired and a workable strategy to move from current state to envisioned state.

There is a need to find a model that may enable the organizations to make employees ready for the impending change that would minimize the probable resistance, otherwise resistance to change poses serious challenges for organizational leaders. With this background, this study is directed to achieve the objective of suggesting an approach to create organizational readiness for successful implementation of BPR initiative.

1.1 Significance of Study

BPR is considered as a solution for radical improvement in the organizations. High failure rate force the organizations to focus on all aspects of the project. This study explores a new area on BPR readiness based on analyzing critical factors referred to as readiness indicators. If organization is found ready for change, BPR project can be initiated. Readiness is a token of success for BPR projects (Abdolvand, Albadvi & Ferdowsi,2008).

Organizations that may be aspiring to embark upon a BPR initiative must be well conversant with an approach towards readiness for change so that essentially required readiness can be developed for the purpose. In this study, researcher seeks to conceptually define organizational readiness for change and develop a framework of its determinants. This is highly beneficial for all those organizations which consider BPR as the necessity for desired improvement.

1.2 Identification of the Knowledge Gap

Increasing rate of failure is regarded as main barrier in reengineering process. It creates fear that can be an added failure factor. This study explores BPR readiness assessment approach and tries to fill the gap in literature on factors instrumental in decreasing risk in BPR projects. Existing body of knowledge amply specify that BPR is vital towards improvements of great magnitude, but those who need to undertake the change should be fully prepared to embark upon the difficult process (Abdolvand et al.2008).That particular preparation in question or readiness should be measured so that risk is minimized.

1.3 Problem Statement

In this study, researcher aims at exploring factors creating readiness for change in organizations for process reengineering.

2. Literature Review

Ferdowsi et al. (2008) concludes that BPR is taken as a major answer for far-reaching progress in the organization. On the other hand, due to high-failure rate of BPR, organizations need to consider all aspects of the project thoroughly.As there is readiness, a BPR project can be initiated. Or else, it should be delayed in order for an organization to get ready. Readiness guarantees the success of BPR projects.

 Resources and expertise can best be used by companies through collaboration between departments. One of the benefits of good collaboration is better ability to pursue goals while involving distributed units (Hansen & Nohria, 2004). Collaboration is undeniable fact of life and is a constant feature of modern society. Especially readiness in any organization to go for change can be facilitated through highly collaborative environments, in which expertise can be exchanged and cross functional teams can operate conveniently for achieving the designated goals.

Collaboration results into exchanging people, technology and information hence it can be regarded as change management tool making the organization ready for BPR (Patel, Pettitt & Wilson, 2012).

 The concept of division of labour has necessitated the high degree of collaboration and cross functional integration, which becomes management's responsibility. Coordination is essentially required to bring into line an organization's inter-reliant activities so as to make possible its successful operation. Cross functional integration and collaboration is an integral part of BPR hence its awareness and existence signifies readiness to change (Charles, 2009).

According to Parasuraman (2000) technological readiness is a person's "tendency to accept and employ new technologies for achievement of goals".   IT provides individuals with the necessary information. This brings human, business, and organization together and opens up the communication channels. Procurement of technology alone cannot give sustained competitive advantage to firms rather development of internal capabilities to manage the infrastsucture assumes added significance in this regards (Tim,Prashant,Richard & LeiWang, 2011).There is a need to align technology with business to improve the performance manifolds. Alignment is harmony between technology and various business units. Business executives have been concentrating on this aspect for last 25 years (Luftman & Kempaiah, 2007). There must be operational alignment between business strategy and IT structure. In other words, IT has to fit well with organizations environments (Prodromos Chatzoglou, Anastasios, Diamantidis,Eftichia, Stergios, Vranakis, Dimitrios & Kourtidis 2011).

 The central role of IT in BPR has been recognized by many authors in the past who view BPR from IT perspective. In few of the cases role of IT has become controversial and not taken as enabler of reengineering (Maull, Tranfield & Maull, 2003). Reengineering involves changes in people behaviours and culture, technology and processes therefore many factors restrict the success of such initiatives (Al-Mashari, Irani & Zairi 2001)

Commitment of Top Management is nothing more than a right kind of leadership directed towards addressing the stated and perceived needs of the customers (Sakthivel, 2007).Teamwork at all levels of an organization is important to encourage innovation and radical improvement. Senior managers play special roles in leading major change efforts (Drew, 1996).

Sound management processes ensure that BPR efforts will be implemented in the most effective manner. The most noticeable managerial practices that directly influence the success of BPR implementation are top management support and commitment, championship and sponsorship, and effective management of risks. Championship and sponsor ship are vital towards overcoming barriers such as political, economic, and organisational risks. The champions should have an ability to convince top management of the need to change

and remain consistent in their efforts to set in motion the change efforts throughout the organisation. Political and material sponsorship by the champions of change to business processes, job definitions, reward systems, and organisational structure needs strong support from senior management. Committed and strong leadership in the upper echelons of management are often cited as the most important factors of creating readiness for implementing a BPR project   (Al-Mashari & Zairi, 1999).

3. BPR and Readiness for Change

3.1 Leadership Style   Leadership style has major impact on the environment of the firm that is prime force behind performance. Top managers provide a vision to facilitate the change. Therefore readiness for change can be inculcated by supportive leadership style making the employees willing to undergo the envisaged change process (Butler,2009).It remains the responsibility of leaders to establish organization wide assurance and faith. Various theories proposed improving the success of organizational change efforts through creating readiness for change (Armenakis, Harris and Field, 1999). In this sense, leaders need to communicate and educate its members the reasons for change (Armenakis & Harris 2002).It can also be stated that organizational readiness for change is unfreezing of status quo in behaviours.

3.2 Top Management Commitment   A clearly defined strategic mission is necessary for reengineering (Maull, Tranfield, & Maull, 2003). Strategic management is the highest level of management where top officials determine the strategic direction of the company (Grant, 2002).It is the responsibility of the top management to keep them abreast about current situation in the organization and show high degree of commitment towards ongoing projects. In order to make BPR a success, top management should optimize communication with the employees that is likely to create readiness to change. Research has proved that such a committed attitude results in inculcating desirable behaviours including readiness to change essentially required for BPR projects (Robbins, 2003).

3.2 Use of Information Technology   IT is considered as integral to BPR and has critical role to play in all BPR projects. Disregarding the role of IT can result in failure. Attaran,(2004) has shown that IT capabilities should support business processes, and business processes should be compatible with the capabilities of IT or in other words these should complement the business processes. IT has its role in all phases of redesign process. Before the process is redesigned it can foster process thinking in organizations that creates readiness for change in the organization.

3.3 Collaborative Working Environment   The basic concept of collaboration is that people from different departments should be able to work jointly to ensure smooth flow of tasks through the processes (Hsiao,Amy,Trappey,Mac & Pei-Shun 2009).Collaborative working environment is one main factors determining readiness for change taking place due to implementation of BPR projects (Tatsiopoulos & Panayiotou, 2000). In order to work in a cooperative environment, and interact in a friendly way, employees should trust each other, and be assured that the top management recognizes their role (recognition among employees). A cooperative environment with a friendly interaction, in which employees work in teams, has a chance of improving performance and show that employees are ready for change (Marir & Mansar, 2004).

4. Research Methodology

Keeping in view the challenges identified above established through review of literature, interviews from the panel of experts were carried out so as to gain an insight into the issue. The adopted approach enabled the researcher to remain flexible towards acquiring sufficient background information on readiness development. Data was collected in textual form on the basis of observation and interaction with the participants. It was qualitatively analyzed without conversion into numerical format. Subsequently four factors likely to create readiness for change were highlighted and conceptual model formulated.

5. Proposed Model

A theoretical framework which is a conceptual model and makes logical sense of relationships among variables that have already been identified as important to the problem is given in figure 1. Readiness for change can best be assessed by considering four factors:-

    5.1   Leadership

    5.2   Top management commitment

    5.3   Use of Information Technology

    5.4   Collaborative working Environment

Figure 1 Conceptual Framework
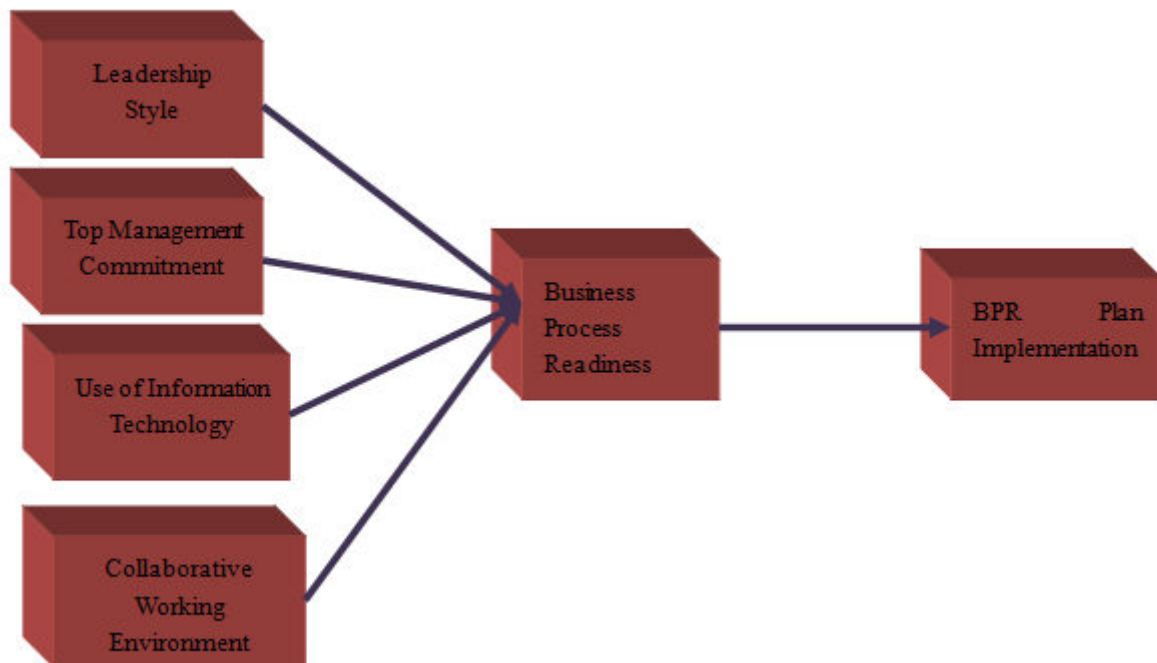
6. Discussion   A model is offered that describes the influence of four related factors on readiness. Change management experts have emphasized the importance of establishing organizational readiness for change and recommended various strategies for creating it that sounds reasonable but those are without substantial scientific basis. It is important to consider those circumstances that help develop perception of readiness shared across the entire organization. Regular leadership actions consistent with organizational environment, collaborative working, Information Technology and Top management commitment could promote commonality in organizational members' readiness perceptions. The model presented in this study is not empirically tested, yet provides a rational based approach towards readiness for BPR that can make a BPR plan implementation a complete success.

7. Conclusion
BPR has been addressed as a significant solution for radical improvement in the enterprises. However, the high-failure rate of BPR projects makes organizations consider all aspect of the project meticulously. This research explores a new area on BPR readiness based on analyzing critical factors, which can be referred to as readiness indicators. Assessing BPR readiness can address strong points, weak points and risks, and hence the rank of readiness in the organization. In other words, as there is readiness, a BPR project can be initiated. Or else, it should be delayed in order for an organization to get ready. Readiness guarantees the success of BPR projects.

8. Recommendation
 Although a model signifying the importance of readiness is presented but there is a need of future research to test this model empirically. More so those factors which negatively contribute towards readiness may also be identified and incorporated in the model for more clarity and elaboration.
8.1   Critical importance of change management must be fully understood by all organizations.
8.2   Management skills, courage and determination for radical change should be included in organizational philosophy.
8.3   Demand for change should not exceed the capacity to absorb.
8.4   Excellence in cross functional operations should be a central feature in organizations.

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