Impact of Organizational Resistance to Change on BPR Implementation: A Case of State Bank of Pakistan

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Abstract

The purpose of this research study is to find the impact of organizational resistance to change on BPR implementation. This paper proposed that Human related factors, Organization related factors and IT training are responsible for explaining the organizational resistance and have a positive impact on the success of BPR implementation. A questionnaire survey is conducted in the State Bank of Pakistan where BPR is done. The results have shown that explanatory factors influence the BPR implementation up to 65.7% and have a significant and positive impact on the latter. When the human related factors and organizational factors are taken care of, and proper IT training is given to the employees, it helps the organization to manage any resistance coming up with a change process, and hence it results in the successful implementation of BPR.

Keywords: Business Process Reengineering, Organizational Resistance, Change, Organization Related Factors, Human Related Factors, IT Training.

Introduction

An organization is made up of some behaviors. These include individual behavior and their performance, the nature and working of groups, the social structures and the organizational design, the attitudes and processes in adopting the changing conditions (Chaneta 2010). Organizations go for redesigning their work processes in order to cope up with the dynamic business environment. It is a big challenge for the organization to manage the resistance arising from within the organization so that the new process can be best implemented (Ferold and Herald 2004).

Business process reengineering is an approach towards changing the traditional methods of working and redesigning the process workflows in an efficient and effective manner. A new business process calls for a change which is always welcomed with resistance in an organization. There can be many factors responsible for such a reaction but here in this study the focus is on human related factors, organization related factors and the impact of IT training and their role in explaining organizational resistance and its impact on BPR implementation.

This research is an attempt to provide an insight in explaining the impact of factors responsible for the implementation of business process reengineering in an organization adopting a change. After reviewing the literature, some important issues regarding BPR implementation have become evident. A descriptive study carried out in Uganda tried to identify human factors, organizational factors and possible causes of failure in BPR implementation process (Mlay et al. 2013). Now keeping in view the results of that study, hypothesis testing will be done in Pakistan’s banking environment where BPR implementation has been partially done at state level.

This research would be particularly relating the organizational resistance to change and implementation of BPR. This study is also an attempt to look into one more issue like finding out the relationship between potential benefits of IT Training in overcoming organizational resistance to change and its impact on implementation of BPR. IT as being a core part of BPR cannot be ignored (Deddens 2006).

For the banking sector business process reengineering is a very useful business strategy as it has the customers as its focus and improves the performance to add value to the customers. In this research study the state bank of Pakistan (SBP) has been targeted. The SBP BSC (Banking Services Corporation) was established in 2002. BSC is the subsidiary and the operational arm of SBP and provides banking services to the Government, financial institutions and the public. The Governor of State bank of Pakistan approved Business Process Reengineering for SBP and BSC which is being implemented in BSC for providing quality services to its stakeholders. The work processes of SBP BSC were analyzed and redesigned for gaining efficiency and to achieve economies of time. Its payroll, expenditure and Internal Monitoring Units were shifted to Accounts Department from Administration Department. The payment controller function helped in achieving operational gains by centralizing the payment system. The IT based solutions included Oracle ERP, Globus and other software to enhance operational efficiency.

Keeping in view the above scenario, this research takes into account the Impact of organizational resistance to change on BPR implementation i.e. different human related factors, Organizational related factors and impact of IT training on BPR implementation process. The objectives of this study are:
a) To study the impact of human related factors which forms part of organizational resistance on BPR implementation in State Bank of Pakistan.
b) To study the impact of organizational related factors which form part of organizational resistance on BPR implementation in State Bank of Pakistan
c) To identify the effect of IT training on BPR initiatives.
d) To make a contribution towards business process reengineering implementation research in Pakistan’s corporate sector in general and banking sector in particular

This fact is known and proved over the period of time by numerous researches carried out across the globe and about different cultures that there are various aptitudes in the employees. If these competencies are utilized properly, they can play a major role in reshaping the capabilities of workforce, leading to better organizational performance. The whole flow of the effort takes a sharp turn when a drastic change is initiated in any organization. In result, everything needs to be changed in order to facilitate the reengineering effort. In particular this is a common behavior which is seen in the banking sector of Pakistan specially the public sector banks where there is hardly any room for change due to a particular mind set of employees. What are the reasons behind it? Why this behavior is repeatedly seen in the corporate sector in general and banking sector in particular? How this behavior is born? These questions are yet to be answered by further research in this domain. Overall, if we look at the banking sector of Pakistan and research carried out till date on organizational resistance to change on BPR implementation, we can easily conclude that there are hardly any banks which have decided to take the plunge and have gone through extensive BPR implementation. The one bank which is the State bank of Pakistan has taken this initiative and gone through all the way by fulfilling the requirements of BPR implementation. Whatever resistance was faced at the time of BPR implementation at different levels has not been researched till date. Also the impact it has on the whole implementation process has yet to be quantified.

Findings of this research may be communicated to State bank of Pakistan in general and banking sector in particular for incubating and adopting cautious approach before any BPR implementation initiative. A step by step plan of action can be drawn in the light of finding of this research. This will result in reeducation in the effort and cost of implementation process and increase the potential benefits of BPR initiative. This study is carried out from the primary as well as secondary data sources which are available on World Wide Web. The survey questionnaire is designed to measure some limited factors contributing towards organizational resistance to change and its impact on BPR implementation. More sophisticated and qualitative method can be employed to study the impact of organizational resistance to change on BPR implementation in the banking sector of Pakistan.

Literature Review

Change is an endeavor to transform the direction, vision, structure and competence of an organization to better cope up with the dynamic environment. With the passage of time the trend has moved from focusing on Change alone towards the individuals experiencing the change, the effect of change on them and managing the change process (Moran and Brightman 2000, Amagoh 2008). For an organization undergoing a change process, the attitude of its people at work unveils their readiness to accept the change. The new processes can only be implemented when the personnel welcome it warmly because it’s the individuals who will be using it eventually (Eby and Adams 2000, Vakola and Nikolau 2005, Ahmed et al. 2006).

The purpose of Organizational Change endeavors is constructive but the individuals within an organization take it oppressively and tend to resist it. The reasons for showing such a resistance can arise from possible insecurity, taking change as a hurdle in freedom and need fulfillment, fear of unknown, knowledge and skill obsolescence, organizational structure and limited resources or some economic implications. This resistance can be reduced by setting a direction, clarifying the objectives through communication, negotiation, participation, training and support and adjusting to the overall culture and then responding to the possible resistance showed by its members (Keen 1981, Pihlak and Alas 2012, Yilmaz and Kilicoglu 2013).

The management should institutionalize the change process and entrench the changes. To make the change process effective and to overcome the resistance, managers should translate the change policies into the daily operations of the organization, however it is not clear yet that how to pace the change process. Some researchers say that it should be implemented gradually on a small scale to avoid intense reactions from the members while some suggest that a quick implementation is beneficial as it reduces the chances of resistance and inertia by the employees (Fernandez and Rainey 2006).

Research by Mullen et al. (2006) and Borrero et al. (1982), found a strong positive relationship between training and support for organizational change. If the workforce is trained well before the implementation of a new business process then the chances of resisting that change are very less. Also this employee development would help an organization to gain employee commitment. The research has found that for implementing change
process training alone is not enough. The organization does not achieve the desired results, unless it enables them to actively participate and communicate openly (Schraeder and Mike 2009).

Reengineering is a process through which an organization undergoes a drastic change for the substantial improvement in its core processes. The study by Hashim (2007) states that management support, organization support and the perceived benefits of IT actually influence the organizations to train their employees in IT skills. Information technology (IT) symbolizing the core process of information flow is found to be vital for the successful implementation of BPR. Companies need to improve the IT processes by reducing the duplication of data, linking together cross-functional systems and increasing the efficiency of information flow to customers. IT can perform these functions to facilitate reengineering or organizational change, only if the management is familiar with the different tools of IT. The management should also know the possible causes resisting the implementation of any change the organization wants to undergo (Deddens 2006, Akhavan et al. 2006, Asgarkhani and Patterson 2012).

A study done by Cao, et al. (2001) on BPR reveals that in holistic perspective BPR fails to deal with the process of change management in totality. If we talk about change management in an organization then four types of organizational change needs to be managed namely change in process, structure, culture, or power distribution. BPR caters for the process change but it actually fails to deal with other types of organizational changes. For successful BPR implementation it is necessary that an integrated approach must be followed so that the neglected areas can be addressed in parallel to dominating process change.

Successful BPR implementation mainly depends on changing attitudes and culture, ensuring reducing communication gaps and overcoming resistance to change from different levels of management (Huq, et al. 2006, Terziovski, et al. 2003). A research by Mansar, et al. (2006) also suggests that while designing best practices for the redesign of a process, alongside other criteria’s such as popularity, the impact, the goals, the risks of BPR implementation should also be taken into account. It means that BPR implementation consideration should start right at the time of redesigning process so the difficulties can be catered for there and then.

A research carried out by Sayer and Harvey (1997) showed the importance of power relationships and their role in the exploitation of veracity building, their effects on the result of BPR and the importance of having an understanding of the power-political relationships within an organization. BPR imposes a shift in power which triggers resistance.

The BPR implementation process depends upon a number of soft and hard factors which can contribute towards the success or failure of the BPR implementation process. The dimensions under which these factors are sub categorized are change management, management competency and support, organizational structure, project planning and management and IT infra-structure (Mashari and Zairi 1999). A study elaborates the issues related to IT infrastructure which are essential and critical in the whole BPR implementation process and generally speaking should be taken care of. These are BPR strategy formulation, IT strategic arrangement, IT infrastructure change, IT sourcing, old systems integration and reengineering, Information security integration, and Information security function (Mashari et al. 2000).

Once the IT enabled BPR transformation was carried out in an American based firm TELCO, various issues emerged during the implementation process difficulty in building an atmosphere of uncluttered communication, forces against selecting IT vendors on merit, lack of cognizance of the lead times linked with IT, awkward implementation of HR and IT strategies and cutoffs in the leadership. These became the reasons for complete BPR implementation failure (Sarker and Lee 1999).

A study by Attaran (2004) identifies barriers causing hindrance in successful implementation of BPR. The barriers include misunderstanding of the concept, misapplication of the term BPR, lack of proper strategy, unrealistic objectives, management failure to change, failing to recognize the importance of people and IS failure to change. Five success factors were identified by Braganza and Myers (1996) as key to the successful implementation of a BPR initiative which are induction, providing skills, commitment to the project, changing roles and systems and changing culture, attitudes and behavior.

Once BPR is done along the processes, rather than functional lines, significant numbers of operational changes are observed. These changes have their own pros and cons but ultimately the conclusion is that it is more appropriate to adopt matrix structure by those companies which advocate mix strategies (Silvestro and Westley 2002).

A study conducted by Grover, et al. (1995) identified sixty four BPR implementations problems including change management, technological competence, project planning, process delineation, project management, tactical planning and human resource problems such as training personnel for the redesigned process. For successful transition and to reduce the resistance to change it is imperative that special attention is given to all these issues for a smooth transition and BPR implementation.

BPR success also depends greatly on the approach which has been adopted for its implementation. An effort to reengineer the processes of the hospital, participative BPR and ERP driven BPR implementation technique were used. The finding clearly gives edge to the ERP driven BPR implementation. It is a lot easier to define the scope
of the project, design of the process changes, mapping of the new system in the software, and to obtain a realistic preview of the outcomes. The only loophole identified was that motivation and support for such change efforts dissipate during the implementation process which was not catered for in this research (Huq and Martin 2006). The importance of BPR in ERP implementation is highlighted in many researches over the past few years. All organizations implementing ERP have chosen their own approach based on organizational limitations and the requirements. There has to be an integrative approach based on strategic perspective for BPR implementation. In this way a suitable and complete composite strategy for BPR implementation can be made (Koch 2001, Wu 2002, Subramoniam, et al. 2009).

Theoretical Framework
Keeping in view the literature review, after operationalizing organizational resistance, we came up with three independent variables. The first is set of human related factors which forms part of organizational resistance, second is set of organizational related factors which forms part of organizational resistance, and third is the impact of IT training. These three together play part in explaining organizational resistance towards a change in response to the BPR implementation.

Figure 1

Hypotheses Development
H1: Human related factors positively affect BPR initiatives.
H2: Organizational related factors positively affect BPR initiatives.
H3: IT training positively affects BPR initiatives.

Research Design and Methodology
Overview
The research methods chosen for this study are contingent upon the nature and behaviour of the variables and therefore being contemplated mostly through quantitative methods. The questionnaire used is adopted from the study of Mlay et al. (2013) and also from the study of Agboola (2007). Five point Likert scale, marked from strongly disagree to strongly agree i.e. “1” to “5” was incorporated in the instrument of data collection. This research was not using the exact questionnaire.

The required augmentation was done prior to collection of data, i.e. five items for the human related factors were added, eight items from the organisational related factors were selected, and thirteen items for IT training were selected and finally seven items were selected for the business process reengineering implementation. The purpose of this instrument in our research was to find the link between the organisational resistance to change and information technology with business process reengineering implementation process.

Population and Study Sample
The present research consisted of only one state owned bank where business process reengineering initiative was already implemented few years back. State bank of Pakistan forms the population of this study. With the help of purposive sampling technique out of total 26 departments in state bank of Pakistan, four departments were targeted where business process reengineering initiative was in maturity stage. Namely Payment sys dpt., HR dpt., Finance dpt. and Banking Surveillance dpt. were targeted. Further within the targeted departments convenience sampling was employed to get the questionnaires filled.

Data Collection
For pilot testing of the tool, out of 200 questionnaires only 60 were received. For hypothesis testing, out of 400 questionnaires, 150 questionnaires were received back.

Model Specification
The regression model employed to test the impact of human related factors, organizational related factors and IT training on business process reengineering implementation is as follows:
\[ BPR = \beta_0 + \beta_1 HFR + \beta_2 OFR + \beta_3 IT + e \]

Where:
- \( BPR \) = Business Process Reengineering Implementation
- \( \beta_0 \) = Intercept Coefficient
- \( HRF \) = Human Related Factors
- \( ORF \) = Organizational Related Factors
- \( IT \) = IT Training
- \( e \) = Gaussian white noise

Data Analysis and Interpretation

Data analysis is done by using “Statistical Package for Social Sciences (SPSS-18) and AMOS. The following tests are applied, to test the validity and reliability of the questionnaire and further testing the hypothesis.

Normality Test

The histogram of the residuals shows that most of the data taken lie within the normal bell shaped curve but few values lie outside it. This indicates that the data has a little skewness towards the left and has a little kurtosis as few data lie above the curve peak. The Normal Probability Plot of the data is drawn in a straight line showing that the data is normally distributed only with the exception of a small portion which does not lie on the straight line.

Cronbach’s Alpha calculations

This parameter is used to check the reliability of the questionnaire of research in progress. Value of cronbach’s alpha closer to 1 are considered better in terms of reliability. In general, if this value falls below 0.5, that is not acceptable from the research point of view. Values above 0.7 are normally taken as benchmark for good research. The reliability tests of the constructs are all above the set thresholds.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Related Factors (HFR)</td>
<td>0.78</td>
</tr>
<tr>
<td>Org Related Factors (ORF)</td>
<td>0.61</td>
</tr>
<tr>
<td>IT Training (IT)</td>
<td>0.69</td>
</tr>
<tr>
<td>BPR Implementation (BPR)</td>
<td>0.74</td>
</tr>
</tbody>
</table>

Confirmatory Factor Analysis

Single factor

Confirmatory factor analysis is done to assess construct validity by using the maximum likelihood method. After applying, the standardized coefficient estimates for human related factors i.e. HRF are between 0.29 and 0.86. The acceptable level is 0.3. Only one item is slightly below the acceptable level which shows the convergent validity is not satisfactory. For organizational related factors i.e. ORF, the values lie between 0.25 and 0.97. All are acceptable except one which is slightly below the set threshold. For IT training and BPR implementation all factor loadings are well above the set benchmark. The R-squared value explains the percentage of variation by each item in its respective factor. The best item for HRF is item #3, for ORF is item #3, for IT is item #5 and for BPR implementation is item #3. All the values are given in the table below.
Table 2

<table>
<thead>
<tr>
<th>Variable</th>
<th>Item#</th>
<th>Factor Loading (Standardized) &gt;0.3</th>
<th>R-Squared Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Related Factors (HRF)</td>
<td>1</td>
<td>0.58</td>
<td>0.34</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>2</td>
<td>0.70</td>
<td>0.49</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>3</td>
<td>0.86</td>
<td>0.74</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>4</td>
<td>0.79</td>
<td>0.62</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>5</td>
<td>0.29</td>
<td>0.09</td>
</tr>
<tr>
<td>Organizational Related Factors (ORF)</td>
<td>3</td>
<td>0.97</td>
<td>0.94</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>4</td>
<td>0.35</td>
<td>0.12</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>6</td>
<td>0.58</td>
<td>0.34</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>8</td>
<td>0.25</td>
<td>0.06</td>
</tr>
<tr>
<td>IT Training (IT)</td>
<td>1</td>
<td>0.46</td>
<td>0.22</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>2</td>
<td>0.48</td>
<td>0.23</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>3</td>
<td>0.69</td>
<td>0.48</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>5</td>
<td>0.78</td>
<td>0.60</td>
</tr>
<tr>
<td>BPR Implementation (BPR)</td>
<td>2</td>
<td>0.67</td>
<td>0.45</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>3</td>
<td>0.80</td>
<td>0.64</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>4</td>
<td>0.35</td>
<td>0.12</td>
</tr>
<tr>
<td>&quot;&quot;</td>
<td>6</td>
<td>0.76</td>
<td>0.58</td>
</tr>
</tbody>
</table>

The construct fitness indexes are given in table # 3. The chi-square value should be minimum probability/significance level should be greater than 0.05. GFI, AGFI, CFI, TLI values should be close to 1, RMSEA value should be between 0 and 0.08 and Chi-square/df value should be less than 3.0. Almost all the values in the table below qualify the benchmarks and in few we need to exercise precautions.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Chi-Sq</th>
<th>Sig. Level</th>
<th>GFI</th>
<th>AGFI</th>
<th>TLI</th>
<th>CFI</th>
<th>RMSEA</th>
<th>Chi-sq/df Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>HFR</td>
<td>6.698</td>
<td>0.244</td>
<td>0.959</td>
<td>0.878</td>
<td>0.961</td>
<td>0.981</td>
<td>0.076</td>
<td>1.33</td>
</tr>
<tr>
<td>ORF</td>
<td>1.105</td>
<td>0.576</td>
<td>0.991</td>
<td>0.955</td>
<td>1.093</td>
<td>1.000</td>
<td>0.000</td>
<td>1.306</td>
</tr>
<tr>
<td>IT</td>
<td>2.629</td>
<td>0.269</td>
<td>0.980</td>
<td>0.900</td>
<td>0.950</td>
<td>0.983</td>
<td>0.073</td>
<td>0.552</td>
</tr>
<tr>
<td>BPR</td>
<td>2.612</td>
<td>0.271</td>
<td>0.978</td>
<td>0.888</td>
<td>0.967</td>
<td>0.989</td>
<td>0.072</td>
<td>1.314</td>
</tr>
</tbody>
</table>

i. Descriptive Statistics

<table>
<thead>
<tr>
<th>Variable</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPR</td>
<td>3.50</td>
<td>5.00</td>
<td>4.3867</td>
<td>0.33974</td>
</tr>
<tr>
<td>IT</td>
<td>3.50</td>
<td>5.00</td>
<td>4.3850</td>
<td>0.32977</td>
</tr>
<tr>
<td>ORF</td>
<td>3.25</td>
<td>5.00</td>
<td>4.3617</td>
<td>0.42325</td>
</tr>
<tr>
<td>HRF</td>
<td>2.60</td>
<td>5.00</td>
<td>3.8373</td>
<td>0.36812</td>
</tr>
</tbody>
</table>

The above values are the descriptive statistics which tells about the mean value which comes out in case of all the independent variable and the dependent variable i.e. BPR implementation.

ii. Correlation

Correlation explains the strength of relationship between all the variables i.e. dependent and independent. Its value ranges between -1 and +1. From this variable it is obvious that all the independent variables are strongly correlated with the dependent variable i.e. BPR implementation.
iii. Linear Regression

### Table 5: Correlations

<table>
<thead>
<tr>
<th></th>
<th>BPR</th>
<th>IT</th>
<th>ORF</th>
<th>HRF</th>
</tr>
</thead>
<tbody>
<tr>
<td>BPR</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>.744 **</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>ORF</td>
<td>.625 **</td>
<td>.688 **</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>HRF</td>
<td>.547 **</td>
<td>.486 **</td>
<td>.120</td>
<td>1</td>
</tr>
</tbody>
</table>

*Correlation is significant at the 0.01 level (2-tailed)*

### Table 6: Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>.426</td>
<td>.238</td>
<td>.334</td>
</tr>
<tr>
<td>IT</td>
<td>.344</td>
<td>.083</td>
<td>.355</td>
<td>4.139</td>
</tr>
<tr>
<td>ORF</td>
<td>.285</td>
<td>.057</td>
<td>.342</td>
<td>5.005</td>
</tr>
<tr>
<td>HRF</td>
<td>.316</td>
<td>.054</td>
<td>.342</td>
<td>5.801</td>
</tr>
</tbody>
</table>

*a. Dependent Variable: BPR*

a) Human Related Factors

The intercept or $\beta_0$ for this equation is 0.426 which means the regression line intercepts the y-axis at this point. Now if we want to find out the effect of HRF on BPR, we will keep the influence of all the other independent variables constant. If we increase the value of HRF by 1 unit the BPR Implementation level will increase by 0.316 units. T-statistics value shows the independent significance of the independent variable on dependent variable at a certain level of significance. T-calculated is then compared with t-tabulated (from table) which gives the level of significance. The df will be required to calculate the t-tabulated. In this case df is calculated by the formula N-K where N = number of observations and K = total variables in model. In the case of HRF, the t-statistics value is 5.801 which is greater than the tabulated value. It shows that coefficient of HRF is statistically significant at 1% level of significance.

Now the standardized value of $\beta$ is interpreted in the same way as for unstandardized. The only difference is the interpretation will be done mentioning the standard deviations. If we increase HRF by 1 standard deviation, the BPR implementation will increase by 0.342 standard deviations.

b) Organizational Related Factors

1 unit increase in ORF will increase BPR implementation by 0.285 units and the coefficient of ORF is statistically significant at 0.01 level of significance. If we increase ORF by 1 standard deviation, the BPR implementation will increase by 0.355 standard deviations.

c) IT Training

1 unit increase in IT training will increase BPR implementation by 0.344 units and the coefficient of IT is statistically significant at 0.01 % level of significance. If we increase IT training by 1 standard deviation, the BPR implementation will increase by 0.334 standard deviations.

### Table 7: Model Summary

<table>
<thead>
<tr>
<th></th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
<th>Durbin-Watson</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>.811 a</td>
<td>.657</td>
<td>.650</td>
<td>.20098</td>
<td>1.639</td>
</tr>
</tbody>
</table>

The model summary shows the total model fitness. 65.7% variation in dependent variable BPR Implementation (BPR) is due to the independent variables i.e. Human related factors (HFR), Organizational related factors (ORF) and IT training (IT) while 25% variation is because of other factors.
iv. Autocorrelation

For this specific model, the no autocorrelation zone lies between 1.6 and 2.2, at 0.01 level of significance. As the Durbin Watson value comes out to be 1.639 which clearly indicates that value lies inside the no autocorrelation zone.

v. ANOVA

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>11.301</td>
<td>3</td>
<td>3.767</td>
<td>93.263</td>
<td>.000a</td>
</tr>
<tr>
<td>Residual</td>
<td>5.897</td>
<td>147</td>
<td>.040</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>17.198</td>
<td>150</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), HRF, ORF, IT
b. Dependent Variable: BPR

In this table the analysis of variance is done. The first column shows that the variation caused by the explanatory variable is only 11.301 and that of residual (error term) is 5.897. It means there are other factors existing which directly affect the BPR implementation process, but they are not presented in this model. The df represents the degree of freedom (df) which means to explain 150 observations we need 150 variables but here we are only considering 3. So, to find out the df for regression we use formula (K-1) which equals 3 in this case and for residual df we use formula (N-K) which equals 147 in this case, where K = total number of variables and N = total number of observations.

When sum of square for the regression is divided by the df of regression we get the mean square value for the regression. Same procedure will be adopted to get the mean square value for the residual. Now if we divide the mean square value of regression with the mean square value of residual we get the value of F-statistics (calculated). This value when compared with F-Statistics (tabulated) gives us the joint significance effect of all the independent variables on the dependent variables. In this case the F-calculated is 93.263 which is greater than F-tabulated. It means that all the independent variables have joint significant effect on the dependent variable i.e. BPR implementation.

Discussions and findings:

Business process reengineering (BPR) is a process to critically analyze the existing workflows and to improve them to yield better results. In this vibrant business environment there is a great need for the organizations to reengineer their business processes to keep up with the competition (Jackson 1996). The main purpose of this research study is to find the impact of organizational resistance to change and IT training on the business process reengineering implementation. Organizational resistance to change is operationalized as presence of some Human Related Factors and Organizational Related Factors. The study targets the State Bank of Pakistan as for banking institutions businesses processes need to be reengineered for improvement and value addition for customers.

It has been argued that when an organization opts for a change or any new process it faces resistance which is caused by some human factors as well as organizational factors. Information technology (IT) a core part of BPR has a great effect on the success of the latter. The IT training helps the organizational members to master the skills needed to successfully implement BPR. The results of this study support the stated hypotheses very well. The results of correlation analysis show that there is a strong positive correlation among the dependent and independent variables considered. The correlation value between human related factors and BPR implementation comes out to be 0.547 which means that they have a significant positive relationship. It means that when the employees’ have positive attitude towards BPR they will show less resistance and will readily adopt it. They will be more motivated, satisfied and involved with the BPR resulting in the successful implementation of the latter, Magutu, et al. (2010).

The correlation value between organizational related factors and BPR implementation is 0.625 showing significant positive relationship. It tells that if the organization’s mission is redefined, objective is kept clear and well communicated and proper management support is provided then BPR implementation is certain. The value of correlation between IT training and the BPR implementation is 0.744 which says that the two variables are strongly and positively correlated. If the employees are trained well in the field of IT, they will have the required expertise to use the IT solutions for catering the business needs and thus increasing the chances of success of BPR implementation. The independent variables are positively and significantly correlated to each other as well. This means that when the employees are given the required IT training they will have a positive attitude towards BPR. They will have no problem in working with the new IT solutions as they will have the expertise for it. They will be satisfied with the new work process and will think that it has improved their performance.

When the organization sets clear mission and objectives and communicates the benefits of BPR to everyone, the employees will support the change process as they will be aware of the fact that this reengineering will increase their productivity. When the users are aware of the plans of BPR initiative and that they would be first trained
before adoption of any new process, they will not tend to resist it and will help the organization to successfully implement the business process reengineering. Al-Mashari and Zairi (2000) are also of the view that when organizations undergoing BPR, make realistic goals, empower their employees and provide them with the required IT training then the success of BPR is guaranteed.

The regression analysis suggests that up to 65.7% variation in BPR implementation is explained by human related factors, organizational related factors and IT training. IT training has the highest contribution in increasing the chances of successful BPR implementation. Reigers and Mansar (2003), say that BPR starts from IT department. When the employees are given training IT, they get the adequate skills to do their work. This increases their understanding of the changed processes, thus increasing the chances of BPR success. The overall results of this study reveal important facts which are of great significance for the organizations opting for business process reengineering. While implementing BPR, organizations have to take care of human related and organizational related factors as well as it needs to train the users in IT. When the employees are well aware of the organization’s plans about BPR, have the required IT training and are motivated they will readily accept the change coming, thus increasing the chances of the success of BPR initiatives taken.

**Conclusion**

This research study provides an understanding on the factors creating organizational resistance to change namely human related factors and organizational related factors and shows their impact on the BPR implementation. Secondly it gives an insight on how IT training affects the BPR initiatives. The study shows that together human related factors, organization related factors and IT training, positively and significantly contribute towards BPR implementation. When the human factors and organizational factors are taken care of, it helps the organization to manage the resistance coming up with any change process, thus increasing the chances of success of BPR. Similarly when proper IT infrastructure is available and the employees are trained well in IT solutions they do not show any resistance and readily adjust themselves with the change which is brought about due to BPR initiative and therefore BPR can be done with great success.

**Limitations**

The data for this research study is gathered through mail survey from the sample. This is the reason that there was a lack of direct contact between researcher and the sample which limited the participation.

**References:**


