Effective Management System: A Key to BPR Success

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Abstract
Today’s competitive business environment pressurizes the organization’s management to focus on successful implementation of Business Process Reengineering (BPR). BRP implementation is a critical task. Many organizations have successfully reported reengineering efforts but not all the organization achieves the desire results. Many researchers and practitioners reveal that more than seventy percent BPR projects fails because of implementation issues. And for successful implementation of BPR project the management system plays a vital role. BPR helps the organization to achieve the desire objectives by increasing productivity and profitability through cost and process time reduction, improve quality and increasing customer satisfaction. However to attain these objectives, BPR must be implement and managed in the best interest of organization, employees and customers. The objective of this qualitative research study is to identifying the management factors responsible for the success of BPR programs. A model representing seven variables and their elements was developed. These variables and their elements are consider as essentially important for effective management system and are key factors for BPR success. These include Strategic Quality Planning, Organizational Culture, Quality of Life at Workplace, Human Resource Development, Employee Empowerment, Performance Measure and Reward System

Keywords: Effective Management System, Business Process Reengineering, Successful Implementation Factors, Strategic Quality Planning, Organizational Culture, Quality of Life at Workplace, Human Resource Development, Employee Empowerment, Performance Measure and Reward System

Introduction
In order to gain a competitive edge in this global business environment, organizations are focusing more on customer oriented approach instead of product centered approach. Therefore companies are trying to deliver good quality product and services to the customers in order to satisfied them. Thus, to fulfill the customer’s needs and their expectation and try to get a competitive advantage, there is a need to bring effective and successful change in business process of an organization, and in this regard the Business Process Reengineering (BPR) is an effective approach used by the organizations. For the successful implementation of business process reengineering, the management system of an organization and the important factors affecting that system plays a significant and effective role. An excellent management system, their support, their awareness given to employees about importance of BPR, their teamwork and commitment plays an effective role in the success of BPR, which bring an effective change (Habib, 2013). Management needs to identify those unnecessary tasks that cause inefficiency in the organization’s system, identify those areas and jobs that require reengineering. BPR helps the organization in achievement of their objectives and goals and results in optimization of profit and enhancement of productivity.

Background
After industrial revolution, the main focus of organizations moved toward profit maximization while maintain a minimum cost. So organizations all over the world started developing effective and organized management practices, as if the management system is strong then it provides a better workplace for employees, motivate them and encourage their contribution which results in increased profitability and productivity of an organization. As efficiency and effectiveness of management system has become a major concern, so different methods and tools have been developed by organizations to improve the organizational system and one of the tool is business process reengineering, which gain considerable attention by managers. Business process reengineering is basically an American idea and it began as a private sector management technique, which enable an organization compete with rapid business and technological changes, and it radically transform the organization for dramatic improvement. Hammer and Champy (1993, page 35) defined BPR as “Reengineering is the fundamental rethinking and radical redesign of business process to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service and speed”.

Organization’s management system is considered as an important factor for the success of BPR. The management system influences the organization’s ability to adapt the change. As if the organization wants to implement BPR, then existing culture of organization contains certain values or beliefs that are often not appropriate or useful for re-engineered process. Therefore, the organization must understand how the management system will be managed and organized which focus on effective processes, must understand and confirm the new concepts, beliefs and values, and also ensure effective communication styles that are required
for developing and implementing new business redesigned processes, so that an effective management system upholds that reengineering is held effectively.

**Problem Statement:**
By studying the relevant literature of previous researches on factors responsible for BPR success, it has been realized, that management system plays a significant and important role in successful implementation of BPR approach, so it there is a need to study that how the management system has been developed and organized in an effective and efficient way that it leads towards the successful implementation of BPR. It is considerably important to study the various variables and their elements responsible for making an effective management system that leads towards BPR success. After comprehensive review, this qualitative research study identified the most important variables and their elements responsible for making a management system of an organization more effective and efficient. These factors include Strategic Quality Planning (SQP), Organizational Culture (OC), Quality of Life at Workplace (QLW), Human Resource Development (HRD), Employee Empowerment (EE), Performance Measure (PM) and Reward System (RS).

**Significance of the study:**
Creating an effective and comfortable management system within an organization that ensure the success of business process reengineering is very important, because world competitive business environment force the organization to change their old fashion process to achieve highest place and gain competitive edge. For business process reengineering (BPR), management system of an organization is very important. It plays a significant and effective role in enhancing the performance of an organization. Employee awareness about BPR initiatives, their motivation level, their involvement, their commitment and engagement in BPR program is influence by management system, as most of the BPR attempts fail, because of lack of proper management direction, planning, guidance and communication towards implementing BPR, because of ineffective management system. So this research study will be helpful for organizations in developing an effective management system that ensures the success of BPR and subsequently a successful BPR initiatives leads towards the achievement of organizational objectives and goals.

**Objectives of the Study:**
The objective of this study is:

- To determine how the success of business process reengineering is affected by the implementation of an effective management system.

**Literature Review**
Every business organization needs a proper management system that ensures a smooth running of business operations within the organization. Management system is basically a process, comprising social and technical activities and functions that are performed within the organizations for the purpose of achieving predetermined goals and objectives by using resources (Longest, Rakich & Darr, 2000).

In management system the manager’s function is to managing, supervising and coordinating different work activities performed with and through other people, for achieving organizational goals and objectives (Kreitner, 1995) in an effective and efficient way with excellent use of limited resources. The basic objective of management system of an organization is to make organizations operation more effective. The work is being done through business organization and the management’s function is to ensure that organization should perform that work effectively (David & Michael, 1980)

In this rapid changing business environment to gain competitive advantage and to make management system and business process more effective and efficient, different methods, tools, techniques and approaches have been developed by many organizations, which bring improvement, speed and efficiency in business process (Chan & Spedding 2003) and one of the approach used by organizations is Business Process Reengineering (BPR) which gained considerable attention by many mangers and researchers. Business Process Reengineering is total transformation and reshaping of business processes, management system, technologies, organizational structure and value which results in high business performance and achievement of organizational objectives (Crowe, Fong and Zayas-Castro, 2002).

Management system plays most important and significant role within organization and provides a strategic direction to the organization while implementing BPR (Crowe, Fong & Zayas-Castro, 2002; Salimifard, Abbaspadeh & Ghorbani, 2010) and influence the success or failure of BPR (Magutu, Nyanwange, and Kaptoge, 2010). The level of degree of management support in BPR implementing strategy is very important. The organization’s management should have appropriate and adequate knowledge about BPR initiative, should have a friendly interaction with BPR team and must know how to implement BPR in effective way while making accurate decisions.
The management should also be responsible for motivating the employees toward BPR changes (Dennis, Carte, & Kelly, 2003) as the competitive edge through productivity, cost and customer services can be achieved only when employees are being informed about BPR changes and are motivated to bring that change within the business process. According to many researchers the change within the organization is considered to be an essential factor for a successful BPR (Benjamin & Levinson, 1993; Cooper & Markus, 1995; Hammer & Stanton, 1995; Carr & Johanson, 1995; Harvey, 1995). These changes include the management commitment and support, the quality strategic planning, communication, employee empowerment and involvement, training, education, reward system, cultural change and performance measurement.

The organization’s strategic planning determines organization’s objectives and provides guidance on how the organization uses its capabilities to gain competitive advantages. The management is responsible for creating such strategies that provide guidance for BPR change (Carr, 1993) and must carefully align corporate strategy with BPR strategy for making BPR a successful effort (Jackson, 1997; Guha, Kettinger & Teng, 1993; Grover, Teng & Fiedler, 1993; Bruss and Roos, 1993). During BPR implementation, effective strategic planning determines how the tasks should be performed and how the flow of material, information and people should be organized effectively to become a source of competitiveness (Hammer, 1990). So proper strategic planning for BPR initiative with adequate time period is considered as a key for BPR success (Zairi and Sinclair, 1995). Moreover the benchmarking in strategic quality planning is critical factor for successful BPR (Carr, 1993) as it is an effective technique to learn about the customer preferences and competitors experiences in BPR (Rastogi, 1994; Jackson, 1997; Harrison and Pratt, 1993; Is Reengineering A Fad?, 1996; Zairi & Sinclair, 1995) and helpful in organizing the BPR efforts accordingly (Rastogi, 1994).

For successful implementation of BPR the organizational culture is considered as an important factor (Hammer & Champy, 1993; Davenport, 1993; Zairi & Sinclair, 1995; CSC Index, 1994) as it influence the ability of an organization to adopt change. For BPR the existing organization’s cultural values, beliefs and processes are no longer useful and for successful BPR organization must understand and confirm to the new values, beliefs and processes (Business Process Re-engineering RIP, 1996). Moreover for successful BPR implementation, the leadership style has to be very effective (Holland & Kumar, 1995; Zairi & Sinclair, 1995), strong (Jackson, 1997; Janson, 1992), visible (Jackson, 1997; Bashein, Markus & Riley, 1994), and be creative in critical thinking and understanding (Hammer & Champy, 1993) for providing a clear and compelling future vision for business processes (Talwar, 1993; Guha et al., 1993; Bashein et al., 1994; Jackson, 1997; Barret, 1994; Davenport, 1993; Is Re-engineering A Fad?, 1996). Vision must be communicated to the employees clearly, so that they get motivated and involved in BPR initiative (Carr and Johansson, 1995; Hammer and Stanton, 1995). Commitment (Guha et al., 1993; Berrington & Oblich, 1995; Dixon et al., 1994) and support for (Rastogi, 1994; Dixon et al., 1994; Furey, 1993) BPR change must be secured from top management of the organization throughout BPR project (Dixon et al., 1994). The effective communication throughout BPR project between all stakeholder both inside and outside the organization is necessary (Talwar, 1993; Hinterhuber, 1995) and is considered as a major BPR success factor (Davenport, 1993; Jackson, 1997; Zairi and Sinclair, 1995; Hammer and Stanton, 1995; Carr and Johansson, 1995; Arendt, Landis & Meister, 1995; Dawe, 1996) as it is need at all levels for all employees (Davenport, 1993) even also for those who are not directly involved in Re-engineering project (Dixon et al., 1994).

Extensive research studies have been carried out to determine the impact of quality of life at work on business process reengineering. When employees within an organization get better quality of life that is based on fair policies, compensations, benefits, job security, training and development opportunities and comfortable working environment, then they have ease of mind and they are more likely to enjoy their work with more concentration and commitment, which results in their job satisfaction and performance improvement. And increased job satisfaction and performance improvement brings creativity, innovation and all aspects that are required for successful business process re-engineering (Ahmad, 2012).

Since BPR project change the entire organizational processes, so organizational should also focuses on human resource development and employee should have given the adequate knowledge and skills to do the new business tasks and should also be consulted at each stage on BPR project. Re-engineered organizations emphasize more one ongoing employee development programs for better understanding of business process, as by these programs workers in re-engineered process tend to be more knowledgeable and empowered (Grover, Teng & Fiedler, 1995). Moreover through proper training programs, employees will learn in depth understanding about their new job tasks (Mansar, Marir & Reijers 2013; Terziovski, Fitzpatrick & Neill, 2003; Ahmad, Francis & Zairi 2007).

In effective management system employee empowerment is very important as decisions related to business processes are made by front line employees and high level of skills and authority is necessary for BPR (Rohm, 1993) so that they can perform for the betterment of the organization (Hammer & Champy, 1993). For a successful BPR initiative employee should be given a chance to take participation in redesigning of processes (Bashein, Markus & Riley, 1994) as during BPR initiative employee’s roles are changed from controlled to
empowered (Hammer & Champy, 1993). When employees are able to set their own goals, monitor goal related performance, and identify and solve the work related problems, in this way they are supporting the BPR efforts (Hammer & Champy, 1993).

Performance measurement techniques used by organizations plays a significant important role in an active reengineering process for achieving the success of whole system (Kuwaiti & Kay, 2000). These techniques are used to monitor the organization as well as individual progress towards achieving goals in more effective and efficient way. Different performance measurement techniques like self assessment, work flow based monitoring, statistical process control, capability maturity model and balance scored approaches are used by organizations (Kaplan & Norton, 1996).

According to (Hammer & Champy, 1993, Mangurian & Cohen, 1993) in re-engineering process, the redesigning of different jobs required new reward system as the already exiting reward system within the organization may not be appropriate for the newly redesign job. The new reward system facilitates the changes during BPR implementation in working practices and ensures that employees are willing to work in new way (Scott Morton, 1991; Grover et al., 1995) as rewards related to job performance change employee behavior positively (Hammer & Stanton, 1994) and is used as a management tool for reinforcement of change (Champy, 1996). Rewarding innovative ideas during BPR implementation facilitate innovative thinking and create an innovative organizational environment (Malhotra, Grover & Desilvio, 1996).

In the light of above literature, this qualitative study was conducted and a model based on seven variables and their elements was developed. These variables and their elements are consider as essentially important for effective management system and are key factors for BPR success. These include Strategic Quality Planning (SQP), Organizational Culture (OC), Quality of Life at Workplace (QLW), Human Resource Development (HRD), Employee Empowerment (EE), Performance Measure (PM) and Reward System (RS).

**Research Methodology**

An intensive and extensive literature survey was carried out for the development of updated theoretical perspective. Articles of different authors that were published in different journals were selected and after in depth overview the model was developed.

**Proposed Model**

![Proposed Model Diagram]

**Source 1:**

**Source 2**
for the increase of Productivity and Profitability’ European Journal of Business and Management. Vol 6, No. 14

Source 3
Workplace factors affecting employee performance
(http://www.businessperformance.com/workplace-training/workplace_environment.html)

**Model Elaboration**

This is a qualitative research on Effective management system which explains different variables that affects the organization positively and become a key factor for the success of business process reengineering. Further it also discusses the different elements of these variables that can explain the affect of these variables more clearly. Effective management system plays a vital role in the success or failure of BPR. It has many variables which causes their effect on an organization’s success in BPR. These variables are as follows:

1.1 **Strategic Quality Planning (SQP):**

Strategic quality planning is one of the variables, which affect the management system positively because it enhances the managerial practices. With this quality of good managerial skills, the managers become more capable to take quality initiatives by taking the benchmarks as their goals and these initiatives will help them to make a clear vision and take strategic directions for the successful management system.

1.2 **Organizational Culture (OC):**

Organizational culture is next variable that has its direct impact on the management system. It also has many other factors which play their important role in making the culture of an organization, and this organizational culture as a whole, effect the success or failure of the BPR implementation in an organization.

First of all in the organizational culture, the major factor is the Leadership style which directly influences the organizational culture, as managers with good leading quality will promote the team work. The team work will help in the successful implementation of BPR in an organization. For good team work, the management should, value the employees and their skills. Managers can value the employees by communication. They should communicate with the employees to share their problems and progress regarding the implementation of BPR in an organization.

For successful communication there should be the gender stereotyping freedom and there should not be any discrimination on the basis of gender. And all the men and women should be treated on the base of their skills and capabilities. In an organization the employees should work as a team or group. It will help in the implementation of BPR successfully and create an effective management system.

1.3 **Quality of Life at Workplace (QLW):**

As in this research article, there is an explanation of effective management system and its impact on the success of business process reengineering. Here we are going to discuss another variable, the quality of life at workplace or organization. In this variable there are many other factors which explain the quality of life in an organization. If there will be a quality of life in an organization then it will be helpful in the successful implementation of the BPR. For ensuring the quality life at workplace, first of all the employees should be secure, employee can be secure in different ways, first of all there should be a job security, then there should be a career opportunities within the organization which can help an employee to grow within the organization, and this will leads to the career satisfaction. If the employee is satisfied then he will take interest in the reengineering of business process because, he will know that this advancement in an organization is also for his better career.

The work schedule or the work process should be balance that can be comfortable for the employee to complete their tasks regarding BPR. There should not be a job stress, which ultimately affect the efficiency of an employee and there should also be fairness in the evaluation process of an employee work, which definitely motivate the employee to give his best in the BPR implementation.

The physical safety of employees should also be ensured by giving them a comfortable work environment. By providing them all the facilities which are characterized by technology, machinery and computers as well as general furniture and furnishing which will facilitate him in the completion of his tasks regarding BPR.

1.4 **Human Resource Development (HRD):**

Human resource development is one of the most important variables of an effective management; The Human resource should be developed. There are different ways to develop the intellectual capital of an organization. As the human resource would be developed, it will be easy for an organization to adopt BPR. To Groom human resource, training should be given to develop their skills, counseling and coaching can also be arrange by the management to improve the areas where the employees are less efficient. Mentoring is another way, with the
help of which the employees can be trained by working with their seniors. Job rotation is another method which can help the employee to learn new skills on the work place.

All the strategies, where we should put the employee for learning and polishing the skills to improving their efficiency, comes under the retention management, and it helps in the development of the employee. As there will be a developed human resource the process of reengineering of business will be easier for an organization.

1.5 **Employ Empowerment (EE):**
Employee empowerment gives more satisfaction and security to the employees. Employees can be empowered in different means like in decision making. The decision making help the employee to become an effective part of BPR, by taking the important decisions in planning and successful implementation of business process reengineering. Feedback specially regarding BPR, can help in further decision making for its successful implementation. Employee empowerment will increase the job satisfaction in employees and it also helps to increase the employee loyalty.

1.6 **Performance Measurement (PM):**
With all the other variables, performance measurement is also one of them. It is important for effective management. Effective management tell us the efficiency of the managers that how much they are capable in conducting the process of business reengineering in an organization, so that is why there should be a proper method of performance measurement.

There are different factors of performance measurement like, observation, which helps in direct evaluation of the managers and the employees. It tells that how much effectively they are participating in the implementation of BPR. Peer Review is another type of performance measurement where the colleagues and fellows in organization give their feed back regarding the performance of the other employees. The performance of an employee can also be assessed at the end of the any given project or task to them. Their managers can also give their review about employee’s performance. 360 degree evaluation method is also use for the employee performance evaluation in which all the colleagues in an organization tells about the performance of certain employee, it is same as peer review. Employee can also measure their performance by self assessment at the end of the given task.

1.7 **Reward System (RS):**
Reward system is another major variable which can ensure the employee dedication in the implementation of BPR in an organization. In reward system there are different factors, like pay, Benefits, incentives, Bonuses etc. There should also be recognition of employee work by their managers which should also be converted in to their promotions when the time comes. Successful reward system will make the employees more dedicated and they will give their best in the successful implementation of BPR process in an organization.

**Conclusion:**
Management is a continuous process which involves various activities that are carried out to achieve the organizational objectives and goals. BRP is an approach used by organization to achieve its objectives and goals throughout BPR implementation; management system plays a vital role. For BPR quality creativity and innovation must be there and this can be generated through increasing EE (Employee Empowerment) QWL (quality of life at work) HRD (Human Resource Development) PM (Performance measurement) and Reward system (RS) through Strategic Quality Planning (SQP) and developing effective Organizational Culture (OC) for employees. As employees are the real asset of the organization, so the management system can play a crucial role for motivating the employee towards BPR project. Management system strategy and top management support are the critical success factor of BPR. Effective management system leads to a BPR success, so subsequently a successful BPR initiative leads towards the achievement of organizational objectives and goals.

**Recommendations:**
This particular qualitative research study provide a comprehensive review to organizations that to what extend the role of effective management system leads to the success of BPR. It is recommended that organization should focus on these important factors of management system for the improvement of employees performance and organization’s productivity and profitability while doing BPR projects. Further research study may also be carried out to identify the other factors of management system which may ensure BPR success.

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