Assessment of Challenges of Implementing Civil Service Reforms: BPR and BSC in Focus, in Arsi Zone, At Asella, Ethiopia

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Abstract

The study was conducted on challenges of implementing Civil Service Reforms: BPR and BSC in focus, in Arsi Zone, at Asella. The researcher employed mixed type of research to achieve intended objective of study. The researcher used multi-stage sampling technique to select required sample. The data was gathered through questionnaires and collected data were summarized and analyzed using frequency, percentage and presented by using table. In addition, Chi-square test used to see significance of collected data. The finding of study shows misunderstanding of reforms concept, lack of adequate training which equip employees with new process, hiring inexperience consultants, lack of competent and skilled workers, poor communication and lack of top commitment were identified as major challenges reforms implementation. In addition to above, the study put the following pitfalls: failing to provide clear information on objective of reforms, lack of clear performance management criteria and lack of reward for outstanding performer. To achieve purpose of reforms implementation the offices should check from different challenges.

Keywords: Balanced scorecard, Business Process Reengineering, Prospects, Challenges, Implementation

INTRODUCTION

1.1.   BACKGROUND OF THE STUDY

Among the most pressing issues of 21th century, globalization change got top rank. This globally changes brought by technological advances, greater decentralization and social activism. The outcome of these changes is felt by government for better governance through effective service delivery, transparency and accountability. The civil service as arm of the government must keep pace with change in order to meet aspiration of the people (Atkilt, 1996). Nowadays, the government either in developing or developed countries undertakes different reforms to improves its core function, specific sector policy, management and organization (World Bank, 2002). On the other hand, the purpose civil service reform is to improve the effectiveness and performance of the civil service and to ensure affordability and sustainable economic and social development.

In order to improve its service delivery and performance management system the government in developing countries has been undertaken different reforms like BPR and BSC. BPR was implemented to achieve drastic improvement of current performance in the cost, service and speed (Hammer and Champy, 1993). BSC is a strategic planning and management system that used extensively in business and industry, government and non government organization to align business activity activities to the vision and strategy of the organization (Kaplan and Norton, 1992). BCS measures an organization performance via: financial, internal business process, innovation and learning and customer perspective to maximize the efficiency and effectiveness of service delivery (Riverbank and Peterson, 2008).

As Bahiru (2009), Civil Service reforms in developing countries including Ethiopia seems to have improved the performance of some public institutions by reducing unnecessary work chains, amount of time it takes for users to receive services, and inhibiting the scope of corruption. Despite of its contribution many developing countries civil service reforms are plagued with corruption, misallocation of resources, ineffective service delivery, sub-minimum wage compensation, and the recruitment and promotion of unqualified staff (Morris, 1977). According to Yosef (2011), Civil Service Reforms impeded by lack of structural set up that is amenable to reforms execution, lack of proper control, absence of clearly defined management system and procedure of effective and efficient utilization of human resource and lack of managerial know how.

According to Hammer (1990) and Davenport and short (1990), many organizations have reported dramatic benefits gained from the successful implementation of BPR. However, despite the significant growth of the BPR concept; not all organization embarking on BPR projects achieve their intended results. According to Atkilt (1996), promising achievements are not achieved without any challenge. Organization leaders, steering teams, redesign teams and challenge agents have passed through many challenges at different time and in different phases of BPR.

As Kasurinen (2002) identified different types of barriers to change in the BSC implementation process such as lack of time and resources was a potential problem, as not everyone in the organization was willing to invest sufficient time and resources on the BSC project. Kaplan and Norton (2001) have indentified two sources of BCS failure: design and process failure. Design failure is related to poor design of BSC that lead to its failure in an organization. A poor design BSC includes too few measures in each perspective, unbalance between leading and lagging indicators, and including too many indicators without screening the critical few this leads organization

to lose focus and unable to find linkage between indicators. Process failures are the most common causes of the BSC. It includes lack of senior management commitment, too few individuals involved, keeping the scorecard at the top, hiring inexperience consultants and introducing BCS only for compensation are underlying factors behind failure of BSC. This is what motivate investigator to assess major challenges of civil service reform in Ethiopia. The objective of this study was to assess challenges of civil service reform in Ethiopia: BPR and BSC in focus with reference to Arsi, at Asella Town.

2.   REVIEW OF LITERATURE

Civil service reform is efforts to make government more organized, affordable, honest, and responsive to bring government closer to the grassroots and deliver better. The term civil service is usually understood as a subset of the wider public service. This civil service consists of government ministries, departments and agencies, including people who advise on, develop, and implement government policies and programmes. Reforming the civil service is important in improving governance, service delivery, economic policy and public financial management (Rao, S., 2013).

As part Civil Service program various reforms were undertaken like BPR and BSC to improve public service delivery and their performance management. According Mengesha and Common (2007), BPR aims to help organizations improve customer service and cut operational costs by restructuring to focus on their business processes, whereas BSC is a performance management tool that enables a company to translate its vision and strategy into a tangible set of performance measures.

As Sekar and Hirve (2007), reforms were not achieved objective as intended due to various challenges like organizational resistance, insufficient resource, lack of top management commitment, misconception of reforms and lack of adequate training. According to Hammer (1990), Davenport and Short (1990), many organizations have reported dramatic benefits gained from the successful implementation of BPR. However, not all organizations implementing BPR projects achieve their results. As Hammer and Champy (1993), 70% and Hall et al. (1993) 50-70% of BPR initiatives fail to deliver the expected results.

According to Crabtree and De Busk (2008) and Greatbanks and Tapp (2007) proofs the firms that adopted BSC significantly outperform than that did not adopt BSC using different matching criteria. However, cautionary evidence from three Austrian academics reported that 8% of 174 companies from German speaking countries decided not to implement a performance measurement system (and a balanced scorecard in particular) because they could not see advantages or 'positive impact' of its implementation (Speckbacher et al, 2003).

Moreover, different empirical studies showed that organizations those perform BSC and those did not perform BSC come up with the same result (Neely et al, 2000). So, it is difficult to conclude, as one country success and the other country experience failure and to achieve required result of these reforms the implementations needs to be checked in line with success and failure factors.

As such, Grover et al. (1995) noted that the broad organizational focus and deliberate nature of BPR needs a planned change. Specifically, the authors suggested preparation and deliberate actions support from management, technical competence, and mitigation of resistance to change as requirements for the success of BPR implementation. Thomson and Mathys (2008) identified four potentially problematic issues in the application of the BSC. First, they argue that there is often a lack of understanding of organizational processes. Second, there is a lack of understanding of alignment between different BSC elements. Third, it is often difficult to measure what the organization intends to measure. Finally, understanding how the organization's strategy is related to the BSC can be difficult.

3.   Material and Methods

3.1.   Research Design

The researcher employed mixed type of research design. This study conducted mostly by qualitative approach followed by quantitative approach. This study was conducted in Arsi Zone, at Asella Town. Thus, the target population of the study was employees and managers in Asella Town. Besides, the data for the study was collected from three government offices of Asella Town.

3.2.   Sampling technique and Sample size

Multi-stage sampling was used to identify kebele's from which these offices were selected. At first stage one office was purposively selected from each kebeles. At the final stage, simple random sampling was used to identify individual respondents included in survey. Accordingly, 40 individuals were selected whose names were randomly drawn from three selected offices. According to Gay (1981) the appropriate number of subjects to be creditable for a study depends upon the type of the research work involved. For instance, for descriptive survey research method, a sample of 10% of the population is considered to be a minimum for a large population and for smaller population 20% may be required. Therefore, out of total (202) employees 20 %(40) respondents were selected in proportion to their population as determined in below table.

Table 1: The sample determined as follows:

No	Offices	No of employees	Selected sample	%
1	Civil service and Good governance	54	11	27.5
2	Social and Labor affairs	72	14	35
3	Industrialization and Urban Development	76	15	37.5
4	Total	202	40	100

3.3. Instruments of Data collection

The primary data was collected from employees of the three selected offices. Thus, questionnaire was developed and distributed to collect the needed data for the study. To collect the pertinent data, five enumerators were trained and collected data from the respondents. The secondary data were collected from both published and unpublished sources.

3.4. Data analyzing Methods

The collected data was analyzed by using descriptive statistics such as frequency and percentage and presented using table. In addition, Chi-square was used to test significance of collected data.

4. RESULTS AND DISCUSSION

4.1. General impression of respondents about reforms

Table 2: Item one, understanding of the concept of BPR and BSC, 67.5 % of respondents did not understand the concept BSC and BPR and remaining 32.5 % respondents understand the concept BSC and BPR. The data obtained from Chi-square analysis also revealed significance difference (X^2=4.9, p< 0.05) in the proportion of the respondents who reported that they did not understand the concept of reforms. This implies that the majority of respondents did not understand the concept Balanced Score Card and Business Process Reengineering. This finding is consistent with what Attaran and Wood's (1999), and Dumond (1994) identified misunderstanding of concept lead the reforms to failure.

As it is depicted in table 2, item two, about 65% of respondents did not receive orientation, while 35% of respondents responded as they obtain orientation before implementation BPR and BSC. Chi-square analysis confirms that lack of orientation is the major challenge of implementation of reforms has significant difference (X^2=14.4, p< 0.05). This proves that as offices responsible to provide sufficient orientation before implementation of reforms to enhance employees their performance. Table 2, item three, BSC and BPR are poorly designed, about 67.5% respondents agree that reforms are poorly designed and rest 32.5 % respondents disagree as reforms poorly designed. The Chi-square analysis also affirms that poorly designed reforms are the major impeding factor of reforms implementation with significant difference (X^2=4.9, p< 0.05).

Table 2: General impression of respondents on BPR and BSC

Q.NO.	Variables	Responses	No	%	X^2	P-value
1	Do you understand the concept of BSC and BPR?	Yes	13	32.5	4.9	0.027**
		No	27	67.5		
		Total	40	100		
2	Lack of adequate orientation before BCS and BPR implementation?	Yes	32	65	14.4	0.000*
		No	8	35		
		Total	40	100		
3	BPR and BSC poorly designed	Yes	27	67.5	4.9	0.027**
		No	13	32.5		
		Total	40	100		
4	BSC and BPR introduced only for compensation	Yes	15	37.5	2.5	0.114
		No	15	62.5		
		Total	40	100		
5	Do offices provide sufficient training to improve employees understanding before BSC and BPR implementation?	Yes	12	37.5	6.4	0.011**
		No	28	62.5		
		Total	40	100		
6	Does that training adequate to equip them with new process?	Yes	13	32.5	4.333	0.037**
		No	27	67.5		
		Total	40	100		
7	Do you take sufficient IT training to implement BPR and BSC as needed?	Yes	14	35	3.66	0.58
		No	26	65		
		Total	40	100		

Notes: * 1% significant level,   ** 5% significant level

This implies that poor design of reforms were the major challenges of implementation. This finding is similar with what Klein and Knight (2005), reports unreliable and imperfectly designed of reforms are the main

obstacle of implementation.

As it is shown in table 2, item five, training before BPR and BSC implementation, 37.5% respondents agreed that there is training before implementation reforms, whereas 62.5% of respondents replied did not take training before implementation of reforms. As data obtained from chi-square and p-values, it can be concluded that there is no adequate training to equip employees with new process with significant difference (X^2=6.4, p< 0.05). Since training is major success factor of reforms organization responsible to train its employees to create adequate awareness about BPR and BSC.

4.2.   Responses on factors which affect BSC and BPR
Table 3: Challenges of BPR and BSC implementations

Q.NO	Variables	Responses				
		Alternatives	Fre	%	X^2	P-value
1	Resistance to change	Yes	17	42.5	0.9	0.343
		No	23	57.5		
		Total	40	100		
2	Inadequate follow up from supervisor	Yes	37	92.5	28.9	0.000*
		No	3	7.5		
		Total	40	100		
3	Hiring inexperience consultants	Yes	32	80	14.4	0.000*
		No	8	20		
		Total	40	100		
4	Inadequate support from change agent	Yes	33	82.5	16.9	0.000*
		No	7	17.5		
		Total	40	100		
5	Keeping the reforms at the top	Yes	14	35	3.6	0.058
		No	26	65		
		Total	40	100		
8	Lack of adequate technical support for implementation of BPR and BSC	Yes	29	72.5	8.1	0.004*
		No	11	27.5		
		Total	40	100		
10	Difficulties in changing office arrangement that is suitable for BPR and BSC implementation	Yes	28	70	6.4	0.011**
		No	12	30		
		Total	40	100		
12	Lack of top management commitment	Yes	30	75	10	0.002*
		No	10	25		
		Total	40	100		
13	Lack of competent and skilled workers	Yes	29	72.5	8.1	0.004*
		No	11	27.5		
		Total	40	100		
14	Lack of sufficient resources	Yes	25	72.5	1.6	0.206
		No	15	27.5		
		Total	40	100		

Notes: * 1% significant level,   ** 5% significant level

Table 3: The majority of respondents states that factor affect BPR and BSC implementation were inadequate follow up of supervisor, hiring inexperience consultants, inadequate support from change agent, and lack of technical support are the major impeding factors with 92.5%, 80%, 82.5% and 72.5% respectively. The chi-square analysis confirms inadequate follow up of supervisor (X^2=28.9, p<0.05), hiring inexperience consultants (X^2=14.4, p< 0.05), inadequate support from change agent (X^2=16.9, p< 0.05), and lack of technical support(X^2=8.1, p< 0.05) were factors that hamper implementation reforms. Without adequate follow up of supervisor it is difficult to achieve intended objective. This finding concurs with previous studies reported by Gerrits (1994) and Taylor (2010), pointed out BPR and BSC failed due to lack of detailed guidance and support from supervisor and change agent for actual implementation of reforms.

As it is shown in Table 3, difficult in changing offices structure that is suitable for reforms implementation (70 %), lack of competent and skilled workers (72.5 %) and lack of top management commitment (75 %) were the challenges of reforms implementation as per respondent's response. The data obtained from Chi-square analysis also revealed significance difference in the proportion of the respondents who reported difficult in changing offices arrangement, lack of competent and skilled workers and lack of top management commitment were the main

challenges of reforms execution with chi-square and p-value of (X^2=6.4, p< 0.05), (X^2=8.1, p< 0.05), (X^2=10, p< 0.05) respectively. The present finding is in agreement with that of Stenheim (2014) and Molleman (2007), BSC and BPR failed because of incompatible with the organizational culture, lack of commitment from central actors in the organization and Organizational members also block the implementation process.

4.3. **Communication and Empowerment**

As seen from table 4, the majorities of respondents' states the challenges of reforms implementation as lack clear information about mission, vision and objectives of reforms (90%), objective is unattainable (70%) and fail to reach consensus with employees on mission, vision and objectives. Chi-square analysis also depicts that lack information mission, vision and objective of reforms (X^2=25.6, p< 0.05), objective set by offices is unattainable (X^2=25.6, p< 0.05) and fail to participate employees to reach consensus on mission, vision and objectives reforms (X^2=25.6, p< 0.05). It is shows that participants can be drivers and a key successful factor of change, but can also act as potential blockers of implementations. This is consistent with what stated by Stewart (1993) notes reforms can only work when those in the company who have to work with the new design have a role in creating it and thus support such changes.

Table 4: **Respondent's view on communication and empowerment**

Q.NO	Items	Responses	Fre	%	X^2	P-value
1	Employee empowered to set their own goal in line with organization goal	Yes	14	35	3.6	0.58
		No	26	65		
		Total	40	100		
2	Do you have clear information on mission, vision and objectives reforms?	Yes	4	10	25.6	0.000*
		No	36	90		
		Total	40	100		
3	Do you think organization objective attainable?	Yes	12	30	6.4	0.011**
		No	28	70		
		Total	40	100		
4	Do the offices managers discuss with employees to reach consensus on mission and vision of the reforms?	Yes	7	17.5	16.9	0.000*
		No	33	82.5		
		Total	40	100		
5	Poor communication	Yes	24	60	1.6	0.206
		No	16	40		
		Total	40	100		

Notes: * 1% significant level, ** 5% significant level, *** 10 % significant level

4.3.   Performance Management Criteria

As depicted in table 5 below: The most of respondents stated that performance management criterion were not clear (75%), criteria include too many indicators without screening few (87.5%), and lack reward for high performer (85%) were mention as main challenges of reforms implementation. The chi-square analysis also confirmed performance management criterion is not clear ((X^2=10, p< 0.05), criteria include too many indicators without screening few (X^2=22.5, p< 0.05) and failing to acknowledge outstanding performer (X^2=10, p< 0.05). It can be concluded that lack of clear performance management criteria was main challenge of reform implementation. This is similar with what identified by Ittner and Larcker (2003) & Schneiderman (1999), that poor performance management criteria is one of the reason for reforms failure. An ineffective communication criterion is a great impediment for a successful adoption and use of the Balanced Scorecard (Chen & Jones, 2009).

Table 5: Performance measurement criteria

Items	Alternatives	Frequency	%	X^2	P-value
Is there clear performance management criterion?	Yes	10	25	10	0.002*
	No	30	75		
	Total	40	100		
Organization create awareness about performance management criteria	Yes	14	35	3.6	0.58
	No	26	65		
	Total	40	100		
Performance management criteria include too many indicators without screening	Yes	35	87.5	22.5	0.000*
	No	5	12.5		
	Total	40	100		
Is there periodical review of employee's performance?	Yes	27	67.5	4.9	0.27
	No	13	32.5		
	Total	40	100		
Feedback on employee's performance	Yes	12	30	6.4	0.11
	No	28	70		
	Total	40	100		
Providing reward for outstanding employees	Yes	34		19.6	0.000*
	No	6	15		
	Total	40	100		

Notes: * 1% significant level, ** 5% significant level

5. Conclusion

The study was conducted to assess challenges of Civil service reforms. Based on data the following challenges were identified: lack of understanding of the concept reforms, lack of training and orientation to upgrade understanding of employees, inadequate follow up from supervisor, lack of top management commitment, inadequate communication with employees regarding to objectives of reforms, lack of clear performance management criteria and fail to provide reward to outstanding performer. Generally, since above stated challenges were base to achieve objectives of reforms, organization must have to ensure availability of this factors before and during implementation of reforms.

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