HR Issues and Challenges in Implementing Business Process Reengineering in Government Organizations in India

Dr. Renu Sharma[1*]   Ravi Kant[2]

1.   Institute of Innovation in Technology & Management, D-27 & 28, Institutional Area, Janakpuri, Delhi, India.

2.   Regional Commissionner, Employees' Provident Fund Organisation, India.

Abstract

Business Process Reengineering (BPR) in an Organization is redesigning of its business processes to radically change the system for service improvement, quality enhancement, cost reduction and cycle time reduction. It is not a onetime exercise, but is a continuous one. The requirement and feasibility of a business process reengineering, at present, exists for two reasons – one, the expectations of the stakeholders are rising day by day and secondly the changing technological environment permits the process improvements due to new inventions. Due to these changes, BPR is increasingly being seen as the answer to the challenges that the organizations, especially in service sector, face in delivering services more effectively and efficiently. A large number of government organizations in India have responded to these calls and have initiated BPR interventions not only to improve internal business operations but also to strengthen accountability in public service sphere. However, despite the best intentions of the organizations to improve their functioning, it is noted that many of these BPR initiatives have failed totally or partially to achieve their objectives. An analysis, at broad level, indicates that most of these BPR initiatives have been perceived as technology initiatives only. The importance of corresponding changes in Human Resource (HR) Management has not been gauged properly and consequently these initiatives have failed to take off. This calls for a need to examine the HR issues related to the BPR with focus on making these initiatives success. This theoretical paper, based only on secondary data source, is an attempt to identify the HR issues related to the implementation of BPR mainly in the service oriented government organizations with an objective to provide an input for effective implementation of various BPR initiatives.

Keywords: Business Process Reengineering, Change Management, e-governance, Human Resource, India

1.   Introduction

In the present socio-economic environment, the efficient and effective delivery of services to its clients is the key to survival of an organization. Due to the political implications of such a scenario, even the governments of the day cannot afford to be complacent on the aspect of service delivery. Thus various organizations, including those under the administration of governments, are working towards the improvement in service delivery through reengineering their business processes. Business Process Reengineering (BPR) in an Organization is redesigning of its business processes at fundamental level with an objective to bring radical changes in the system for service improvement, quality enhancement, cost reduction and cycle time reduction. It needs to be emphasized that it is not a onetime exercise, but is a continuous and constant endeavor. The requirement and feasibility of a business process reengineering, at present, exists for two reasons – one, the expectations of the stakeholders are rising day by day and secondly the changing technological environment permits the process improvements due to new inventions. Due to these changes, the BPR is increasingly being seen as the answer to a large number of issues and challenges that the organizations, especially in service sector, face in delivering service more effectively and efficiently. A large number of government organizations in India also have responded to these calls and have initiated BPR interventions not only to improve internal business operations but also to strengthen accountability in public service sphere. However, despite the best intentions and efforts of the organizations to improve their functioning, it is noted that many of these BPR initiatives have failed totally or partially to achieve their objectives. An analysis, at broad level, indicates that most of these BPR initiatives have been perceived mainly as technology initiatives only. The importance of corresponding changes in Human Resource (HR) Management has not been gauged properly and consequently these initiatives have failed to take off. This calls for a need to examine the HR issues related to the BPR with focus on making these initiatives success.

2.   Review of Literature

Hammer and Champy (1993) defines Business process Research (BPR) as "the fundamental rethinking and radical redesign of business process to achieve dramatic improvement in critical contemporary measures of performance, such as cost, quality, service and speed." Setegn (2013) conducted a study to assess the effect of BPR on organizational performance of Bureau of Finance and Economic Development (BoFED), Ethiopia. In the study, both quantitative and qualitative data collection methods were employed. The response of employees and customers has been measured on a Liker scale. The result of the study reveals that after BPR

implementation, there were major improvements in speed of service provision, cost, quality, efficiency and productivity which increased customer satisfaction and organizational performance. This is supported by Sidikat and Ayanda (2008), who conducted a primary study in Nigerian banks and concluded that business process reengineering has become useful weapon for any corporate organization that is seeking for improvement in their current organizational performance and intends to achieve cost leadership strategy in its operating industry and environment. Al-Mashari and Zairi (1999) shows the critical success factors for BPR implementation are change management, management competency and support, organizational structure, project planning and management and IT infrastructure. However, Balasubramanian highlights the role of HR in the Successful implementation of BPR Model. According to the author, BPR can potentially create substantial improvements in quality, customer service, or other business objectives. If an organization wishes to change the way it operates, it must turn to its people to make it happen. People are the agents of change. Creating business plans and strategies are important, but they are only tools to guide the actions of people. Debela (2011) identified that misunderstanding of the BPR concepts, lack of proper strategy, failure to recognize the importance of people, lack of flexibility, lack of proper organizational communication, lack of proper training, failure to cope with resistance, failure to assign the appropriate personnel, misunderstanding and misapplication of the concept and failure to test the process are some of the barriers to effective BPR implementation. However, Ghatari et. al. (2014) state that human-related problems for BPR projects in the public sector should be seriously considered. Resistance force will lead to the failure of BPR projects. The authors mention that rigid hierarchies, culture, multiple stakeholders, swift and dramatic changes in policy direction, overlap of initiatives, wide scope of activities, and staff resistance are crucial parts of public sector organizations. Kumar and Bhatia (2012) reveals that BPR calls for complete revamp of organizational structure, business process workflow, job description, training programme with greater emphasis on multitasking skill development, performance measurement, reward systems and adoption of information technology. As a consequence to BPR in an organization, the organizational structure is changed, the role of management is increased and it becomes now more accountable as well as process oriented. Hanif (2014) conducted a study with one of the objective is to study the impact of human related factors which forms part of organizational resistance on BPR implementation in State Bank of Pakistan. This paper proposes 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 changed process and hence it results in the successful implementation of BPR.

The review of literature shows that BPR leads to significant changes in an organization's performance in terms of cost, quality, speed, efficiency and productivity. Some research studies have also highlighted the factors that are important for the successful implementation of BPR and Human Resource is considered to be one of the important factor. The employee of any organization is considered as a change agent for successful implementation of BPR initiatives. None of the study highlights the issues and challenges related to human resources that can affect implementation of BPR in any government organization. To fulfill the gap in the existing literature, this study has been conducted.

3. Objectives of the study:
This study encompasses the following objectives
1. To study and understand the issues related to Human Resources in implementation of BPR initiatives, especially in the government organizations in India.
2. To provide suggestions to address the HR issues associated with BPR implementation.

4. Research Methodology
This is a qualitative research paper. For the purpose of the study, only secondary source of data collection has been used. Personal interviews have been conducted with the government officials to find out the issues and challenges related to HR in BPR implementation. Moreover, official websites and annual reports of various government departments have also been referred to gain insight into the subject matter.

5. HR issues faced during BPR exercise
Extensive interactions with various government functionaries, who have been involved in implementation of BPR initiatives in government organizations in India, have brought forth the following issues and challenges:
- **Fear of uncertainties**: The major issue in implementation of BPR is the fear of uncertainties as perceived by the employees in the proposed work environment. This may be attributed to the natural human tendency of the fear of uncertainties associated with changed processes and procedures. It is

quite natural that the field staff and officials, who are accustomed to doing work in a set manner for years, resist to change, especially in the organizations dealing with financial matters, where a mistake may result in the financial loss leading to administrative action against involved employees. Sometimes the employees have an apprehension about the security and accuracy issues of the new work flow due to BPR. For instance, if in a system, any manual entry made by the employees is verified at two or three more levels, there is a perception that there would not be any mistake. The same entry, if populated on the basis of some external inputs i.e. electronic returns/ forms and requires only the verification, is perceived by the user employees subject to error, if verification tasks are done at one or two levels in the new system.

- **Vested interest**: Presently, BPR is considered as a synonym of introduction of Information Technology (IT) tools in the business processes. Traditionally, the information control and monitoring mechanism in most of the organizations has been restricted to some individuals only due to the manual processes involved. When BPR is implemented, the systems and process are streamlined and computerized and the information is accessible at all the levels in the organization. The monitoring mechanism at different levels is formulated and communicated to everyone. The transparency and accountability increases at each level. This information is not only accessible to internal monitoring machinery, but is also easily available to the external stakeholders of the organization. This may result into opposition from such individuals which have benefitted from the earlier opaque environment.

- **Changed skill set requirement**: In the current business scenario, it is necessary for the organizations to reengineer their business processes to face the competition and to enhance the customer satisfaction. The BPR calls for changes in skill set requirements. As the employees might have been working in the traditional manner for many years, they find it difficult to adjust in the new system. While implementing BPR, the tools and techniques required for data handling demand an intensive knowledge and skills of IT applications. Lack of suitable changes in the training and skill sets of the existing employees is another reason for poor implementation of BPR projects.

- **Change in organizational structure**: During BPR implementation, it is inevitable that the new systems and processes replace the manual work. The new systems and processes require redesign of organization structure in which some tasks in work flow may become redundant and require to be eliminated. At the same time, some new tasks in the work flow are created which are more value adding, less time consuming, less expensive and more profitable. Also it is possible that there is a change in roles & responsibilities and authority relationship of the employees. Mostly it requires a fundamental change in organizational structure. This may lead to some apprehensions in the minds of employees about their job security.

- **Shortage of skilled manpower**: In government organizations, there is always dearth of IT experts required for almost all kinds of BPR initiatives. In such a situation, the government departments resort to outsourcing of IT work to some agency or hire some contractual IT experts. The takeover of entire technical work by outsourced agency leads to some alienation amongst the existing IT team of the organization. Moreover, in such cases, the employees' turnover in the hired agency affects the implementation process adversely.

- **Internal Rivalry**: Before any BPR initiative is planned, mostly the ideas and suggestions are invited from all the employees who are the part of the BPR implementation team or who are directly involved in the present work. Generally after discussing each idea thoroughly, one most feasible idea is approved for implementation. Sometimes it is observed that people find it difficult to accept the idea selected for implementation as they have an affinity for their own ideas which was not accepted. This may affect the level of commitment and efforts they put to implement the selected idea.

6. Strategies to address HR issues and Challenges

The issues and challenges related to the human resources in the context of the implementation of BPR initiatives are naturally complex as these relate mainly to human nature and are based on perceptions. The solutions to these issues are not simple and straight. The complexity of these issues calls for a multi-pronged strategy. The key elements of this strategy are suggested to be as under:

- **Recruitment strategy:** The introduction of BPR requires key changes in the business strategy at fundamental level. Some of the changes as required are as follows:
    - To implement BPR initiatives, the proportion of skilled personnel vis-s-vis unskilled personnel would be required to be increased. The recruitment strategy should be redesigned to put more focus on computer and IT skills.
    - Flexibility and autonomy in the present recruitment policy with regard to recruitment of experts and selection of an appropriate external agency should be given to the organization to

fulfill the requirement of IT experts to implement BPR.
- While strategizing such a recruitment programme, utmost care should be taken to ensure that existing IT team is also given an opportunity to upgrade itself to meet the requirements of new IT skill sets. The organization may provide financial and logistical support to their existing IT people to upgrade themselves. Due to their experience and knowledge of the organizational functioning, their learning curve is steep and this is advantageous for both the organization as well as for the IT team.
- Lateral entry of IT experts for development purpose should be allowed and encouraged.
- During BPR implementation it is possible that some existing jobs may be abolished, some may be required to be redesigned and some new jobs may be created. So job descriptions should be prepared with new roles and responsibilities.

- **Training & Development**: Training can reduce fear of uncertainties and can handle vested interests up to a certain extent. The training needs and the skill development requirements are to be revisited considering the following key points.
  - The existing staff should be trained in new skills required under the envisaged changes in the environment. The training should not only teach the staff and officers about the new processes but also the change being made in the ecosystem to make it more acceptable.
  - Before implementing BPR, all the stakeholders of the organization should undergo a comprehensive training programme covering both technical and operational aspects of BPR initiatives.
  - During the training programme, the employees and users of the organization should be explained the benefits of BPR initiatives in terms reduction in cost, reduction in wastage, convenience, increased profitability and reduction in cycle time.
  - Hands on training must be provided to the employees so that they can understand and visualize the new work flow vis-à-vis the old work flow by working on the new system to address their concerns related to security and accuracy of the new system.
  - The focused training is to be provided wherein each small tasks in the new work flow is explained to the user employees in great detail.
  - A detailed operating manual with complete instruction sets and screen shots should be provided to the employees for better understanding of any IT-enabled BPR initiatives.
  - Awareness camps and a dedicated helpline should also be organized for the employees as well as users.

- **Motivation:** The BPR team should not only have right set of people with relevant skill set, in terms of knowledge and communication requirements, the motivation level of the team members jointly and individually should also be very high as this is very critical to the successful implementation of this exercise. Further the employees at large should be motivated by explaining them the benefits of BPR and the impact in terms of the number of people getting benefitted due to the BPR initiative so that they feel pride in doing that work. The employees can also be motivated by giving them due appreciation, reward and recognition.

- **Organization Culture:** The BPR initiatives require an open and supportive culture in the organization wherein the employees at each level can provide their suggestions and participate in problem solving exercise. The employees at the lower level should be empowered to participate in the brainstorming process through various innovative approaches and their views should be considered while taking critical decisions. BPR initiatives call for a collaborative and flexible culture that promotes team work and in which the employees set their own objectives, evaluate performance and take corrective action to support BPR implementation in their organization. The employees at all levels should feel more accountable, responsible and feel free to give ideas. This can be achieved through sound training strategy, effective motivation schemes and visionary leadership.

- **Communication**: Effective communication is a key to implement BPR initiatives. Communication should flow horizontally and vertically in all directions. All the employees should be communicated effectively about the objectives of BPR initiatives and they should be involved in brainstorming process. This creates a feeling of ownership amongst the employees for the new initiatives. Further, it is observed in many organizations that the employees either do not give any idea at all or sometimes they give such ideas which are not implementable. The objective of BPR exercise should be explained to the employees in terms of what is needed to be done so that their knowledge and wisdom can be channelized and each work flow can be analyzed in greater detail before any change in the existing system is made. In the communication campaign, the purpose behind BPR implementation should be communicated to the employees and other stakeholders and also the steps to implement the initiative

should be explained so that everyone should have clarity of what is expected from them. The employees should be convinced about the need for change in the existing system and how it is going to be beneficial for their personal growth as well as for organizational growth.

All BPR initiatives require an effective feedback system to be successful. Therefore apart from traditional hierarchical formal feedback system, informal system of feedback should also be developed to assess the implementation of BPR initiatives.

- **Leadership**: Leadership is an vital element of BPR. The leader in BPR should be visionary as well as administrator. He should have clarity of vision as well as the strategies to reach that vision. BPR calls for a committed leadership, which can motivate the employees towards achievement of BPR goals. He should be impartial to the team members and should recognize the ideas given by any team member. The leader should have passion and strong commitment towards organizational goals.

  At times it is observed that many ideas are generated as a result of brainstorming sessions related to BPR and it may not be possible to accept all the ideas while implementing BPR. This is role of the leader to explore each idea in greater detail and persuade the other team members about the idea selected as the team members may be emotionally connected with the idea given by them. The role of the leader is to convince the team members for accepting the one best idea which is aligned with the organization's vision.

- **Reward System**: The reward system should be revisited to implement BPR initiatives in government organizations. The new reward policy, which promotes performance linked incentives, should be devised with sole objective to encourage the employees to align their focus along the organizational objectives. Both monetary and non-monetary reward system and team based reward system should be initiated in the organization.

7. Conclusion

The BPR projects have generally been interpreted as IT initiatives. Though it is true that the technology component of a BPR project plays a key role in redesigning and re-engineering of the business processes, it is important to note that the technology requirements of such projects are mostly met from the established procedures through standardized software tools with some customizations. Thus technology nowadays is no longer a major constraint in implementing BPR as all business processes can be easily and conveniently mapped onto stable technological platforms. It would not be an overstatement that the success of the BPR project is largely dependent on other non-IT aspects, which are mainly related to human resources. This, as a natural corollary, makes it imperative to focus more on HR issues as ignoring them may lead to failure of BPR initiatives. The following suggestions may be considered for successful implementation of BPR initiatives:

- The HR issues are required to be included in the overall strategy while planning, designing and implementing the BPR initiatives.
- Various teams involved in the project should necessarily have HR persons at appropriate levels. The apex committee constituted at highest level to monitor the project should have HR head as one of the members.
- The BPR report should be acceptable to the management only if it includes the strategy to address the HR issues, which are likely to crop up during the implementation of BPR project.
- All such issues emerged during the BPR implementation in other similar organizations should be documented and used as catalogue to address the HR issues likely to emerge while implementing BPR.

Thus, a holistic approach needs to be adopted for the successful implementation of BPR initiatives in the organizations. The technological implementations should be in synchronization with the non-technological strategies of the organizations.

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Dr. Renu Sharma was born in Alwar, India in 1974. She completed her Bachelor of Engineering in 1996 and Master of Business Administration in 1999 from University of Rajasthan, India. She has been awarded Ph.D in Management in 2011 by University of Rajsthan, Jaipur. She has 12 years of experience of teaching the graduation and post-graduation courses. Her current research interests are e-governance, Social Security, Project Management, Human Resource Management, Operations Management and Quality Management.

Ravi Kant was born in Ambala, India in 1973. He completed his Bachelor of Technology in 1994 from Indian Institute of Technology, Delhi. He is presently working as a Regional Provident Fund Commissioner in Employees' Provident Fund Organization, one of the largest social security organizations in the world, under Ministry of Labour, Government of India. Out of his 16 years with Employees' Provident Fund Organization, India, he has more than 10 years of experience in dealing with e-governance projects in the Organization. His current research interests are e-governance, Social Security and service quality.

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