Employees’ Acceptance Level in Reengineering Process Among Malaysian Services Organization

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ABSTRACT

The purpose of this research was to investigate the employees’ acceptance level in reengineering process among selected Malaysian services organization: The Bank (banking), TeleCo (telecommunication company) and the University. The real name of the organization had been disguised. Employees’ views on the process and their daily tasks affected by reengineering process were also considered. Based on a measure of their perceptions, the employees of these organizations were questioned in order to ascertain the importance of the reengineering in service organizations. There will be a comparative discussion of the three selected organizations, using the selected criteria in order to identify their level of acceptance. The survey was conducted by mail, and the findings are summarized herein. Result from the research was expected to contribute new information in the development criteria for any changes in Malaysian service organization.

Keywords: Reengineering, Acceptance Level, Service Organization

INTRODUCTION

Some Definitions of BPR

Not all authors define re-engineering in the same way, and not everyone agrees on what re-engineering should do and deliver. While many organisations claim to be “re-engineering”, Willcocks (1995) for example, found that radical change was generally not taking place. Of the organisations in his study, 59% claimed to be planning or practising BPR. However, most of them only improved existing processes, rather than “re-engineering” those processes. Nevertheless, many researchers, (Hammer, 1990; Fried, 1991; Morrow and Hazzel, 1991) agree that BPR is concerned with “radical change in improving business performance through simplifying and redesigning business processes”. Others, including Hammer and Champy (2001) believe that this can only be done by abandoning the outdated rules and fundamental assumptions that underlie current business operations.

Hence, views from different authors on the BPR programme are worth examining in the present research. The term’re-engineering’ was first introduced into common business usage in a seminal Harvard Business Review article by Hammer, entitled ‘Re-engineering Work: Don’t Automate, Obliterate’ (1990). The ideas were also embraced by Davenport and Short (1990). Since its introduction, a small amount of research has been undertaken to describe the process of Business Re-engineering (BPR) and how it can benefit a company. Examples can be found in: Talwar (1993) Archer and Bowker (1995) and Zairi and Sinclair (1995). Some definitions of BPR are presented below.

The most common definition of BPR is given by Hammer and Champy as:

BPR is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service and speed (2001, p. 32).

Hammer and Champy describe re-engineering as something that emerged from their practical experience as consultants to a number of major US corporations. They argued that the idea was ‘a new beginning’ that involves:

rejecting the conventional wisdom and perceived assumptions of the past ... [and] inventing new approaches to process structures that bear little or no resemblance to those of previous eras (p. 32).

This is the classic definition that is commonly referred to in discussions of BPR and it will be used for the purposes of this research.

Talwar (1993) in his study, states that business re-engineering is an approach to achieving radical improvements in customer service and business efficiency. The central challenge is to rethink and streamline both business processes
and the supporting architecture of the organizations. He adds that business re-engineering demands that managers ignore traditional functional and organizational boundaries, and instead places an emphasis on designing and implementing efficient cross-functional processes, in which the real challenge lies in:

Changing mindset, attitude and behavior to allow the fundamental rethinking and redesign of business activities, structures and working relationships in order to maximize added value and achieve radical and sustainable improvements in all aspects of business performance (Talwar 1993, p. 43).

Furthermore Archer and Bowker (1995) in their survey of BPR programmes in the UK financial services sector, provide the following composite definition of BPR:

A conscious reshaping of an organization behind a new corporate vision, the market place and the customer. Using a holistic, “fresh start” approach, BPR reviews all business activities from “end to end”. This may result in a redefinition of processes, organizational structures and technology, to allow the company to streamline, delete or change the way in which work is done. The BPR ultimate objective is to yield sustainable improvements in profitability, productivity, service and quality, whilst maximizing the potential of the individual and the team (1995, p 40).

The Importance of BPR as a Concept of Organisational Transformation and Significant Contributions of BPR to Organizations

In essence, BPR is a change or transformation initiative that promises dramatic improvements in an organisation’s performance. BPR is able to streamline the end-to-end processes through which an organisation creates and delivers value to its customers (Talwar, 1994). Mumford (1995) points out BPR can assist a successful change in an organisation and, in theory, its application is not restricted to a specific business sector. This is echoed by Hammer and Stanton (1995) who argue that the process of BPR is relevant to the development and progression of any organisation. This applies whether it is large, medium or small in size, whether it is a manufacturing or a service organisation, whether it is a profit or a non-profit orientated organisation or whether it is in the private or public sector. Most writers and commentators in this area tend to hold a common opinion, which indicates that the principal argument in favour of BPR is that it transforms fundamentally the processes and logistics of an organisation. Since most organisations are in the business of making money and profits, the financial structure and administration of an organisation are always under scrutiny. BPR offers potential solutions to problems in these areas because it focuses strongly on cost-effectiveness and performance enhancements.

BPR places a strong emphasis on the intensified use of information technology, since the major focus of BPR is on processes rather than functions in an organisation. There is also an insistence on the customer-oriented dimension, which is achievable by means of two significant developments in the use of human resources: empowerment and team working. Arguments have been forwarded stating that the benefits of re-engineering are not only fewer delays lower overhead costs and better customer response, but also BPR contributes to a greater empowerment among employees (Hammer and Champy, 2001). Murphy (1996) indicates that there are substantial benefits to be obtained from incorporating a degree of employee participation into a BPR initiative. Later, employees may draw the conclusion that participation is essential to the management of any organisational change. Decision-making and participation by employees in the organisation are linked strongly to an empowerment paradigm. Thus, development of employees is seen as an essential process for an organization, in order to respond to flexible and dynamic business environments.

Re-engineering has become one of the most heavily debated topics in the past 10 years, and is still regarded as an interesting topic on web pages such as www.googles.com, www.Brint.com and BPR Online Learning Center, which is sponsored by ProSci. Web-site www.Google.Com (2004) showed 89,400 sites dealing with Business Process Re-engineering, indicating that BPR is still a topic of great interest. Results also indicate 50,000 sites of Business Process Re-engineering through www.Brint.Com (2004).

The literature of re-engineering includes a wide variety of terms relating to the management and improvement of processes. These terms include: ‘business process improvement’ (Harrington, 1991) ‘streamlining’ (Hammer and Champy, 2001) ‘transformation’ (Morris & Brandon, 1993) ‘business process redesign’ (Davenport et al, 1990; Carr, 1993) and ‘core process redesign’ (Heygate, 1993; Hagel, 1993). All of these terms focus on the same concept of process, and the need to improve both organisational performance and design (Gadd, 1994). The stated aims of
implementing BPR are to achieve an organisation that is customer focused, to run the organisation at an acceptable cost, and to ensure that business-related activities add value for customers (Armistead & Rowland, 1996).

Davenport and Short (1990) advance the idea of BPR by stating that in today’s turbulent business conditions, organisations need a new approach to management processes, which better reflects the dynamic nature of the business environment. In simple terms re-engineering advocates ‘starting all over again’ with a clean ‘sheet of paper’ or, from the original two-word definition for re-engineering; ‘starting over’ (Hammer and Champy, 2001). Hammer and Stanton (1995) mention that the process involves the rethinking of work in order to eliminate unnecessary aspects of it and to find better ways of doing things. It is hoped that this will result in fundamental and significant changes to business organisations. Then we can argue that BPR is a radically new approach to organisational transformation.

**Why Internal Stakeholders (Employees)?**

The employee questionnaire was developed and then divided into seven sections. The questions were grouped in order to obtain the relevant information on the implementation of BPR in the organization. Employees’ perceptions and opinions of work were investigated in order to identify and describe their satisfaction with the BPR programmes that had been implemented in the organization. The researchers maintain that employees’ perceptions are probably one of the best ways (after the customers’ views and experiences) of identifying attitudes towards the implementation of the programme.

The questionnaire enquired about how employees felt BPR had affected their work, about their involvement in decision-making, and about the clarity and acceptance of what was being communicated by the management. Thus, the data from the different criteria of employees’ perceptions could be utilized as a measure to assess the successful implementation of BPR in an organization. The employees’ perceptions of the different criteria are presented in the following section.

**Employees’ Perceptions of the Organization’s Reengineering Goals**

The following section presents a mean analysis, based on employees’ responses to questionnaire item numbers ten and eleven. Respondents were asked to give their opinion towards the organizational goal of BPR: whether this goal was appropriate for the organization and whether it should be pursued by the organization. Firstly, the employees were asked to view the BPR aims and objectives of the organization ‘before’ and ‘after’ the management had communicated the ideology and the concept of BPR. The employees were asked, prior to the pursuance of BPR in the company, whether they agreed with the policy, and then to what extent they agreed with the objectives. The measurement of difference between post and prior attitudes to the implementation of BPR could then be weighed and compared.

The employees, being the workforce and at the forefront of organizational patterns, were in a good position to judge and decide the matter of appropriateness. The question which emerged from the employees, and which was asked by the researcher, was: was it appropriate or significant to make certain changes, and would the appropriate process change escalate the outcomes of the organization? More importantly, were the objectives of BPR within the organization appropriate? A measure of the employees ‘appropriateness’ was then calculated by the difference in mean score between ‘after’ and ‘before’ (i.e., ‘after’ minus ‘before’) the BPR programme.

This view was important in order to obtain the employees’ perception of what had been communicated before and after BPR had been implemented. Employees deal with the operation and the systems of an organization day by day, and of course they are experienced in these matters. By asking such questions (before and after) the intention was to tap into their views and experiences of the process itself. Table 1 below presents the results of the weighted average of responses concerning employee attitudes towards the appropriateness of the BPR goals which management had communicated to them. The results were derived from questions 10 and 11 of the employee questionnaire.

<table>
<thead>
<tr>
<th>Employees’ Perceptions of the Organization’s Reengineering Goals</th>
<th>Level of score X no. of respondent</th>
<th>Bank</th>
<th>TeleCo</th>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td>After</td>
<td></td>
<td>127</td>
<td>194</td>
<td>298</td>
</tr>
<tr>
<td>Before</td>
<td></td>
<td>126</td>
<td>184</td>
<td>321</td>
</tr>
<tr>
<td>Difference of Weighted Average Score</td>
<td></td>
<td>1</td>
<td>10</td>
<td>(23)</td>
</tr>
</tbody>
</table>
The overall goal of the organization showed three different views. The Bank had the lowest difference of weighted average mean score of [1], which was shown by the narrow gap between the employees’ views. The results from the bank gave a positive indication of the appropriateness of the BPR goals that the organization aimed for. TeleCo followed with [10]. This difference in mean score showed an ambiguous opinion about whether the organization’s goals were appropriate or not. However, the University, with a negative score of [(23)], had a high negative mean score, indicating that the employees strongly perceived that the BPR goals were inappropriate for the organization to aim for.

Employees’ Involvement in Decision-Making

Employees’ decisions on different aspects of dimension in the organization were investigated to identify their satisfaction in work. Involvement in certain aspects of work can lead employees’ to feel they are members of the organization. Zeithaml (1999) mentions that employees who receive support in terms of encouragement and weight from the management, and who are involved in the decision-making process, will be able to maintain their enthusiasm and provide quality service in the company. Lovelock (2001) assumes that most employees can make good decisions and produce good ideas for operating the business if they are properly socialized, trained, and informed within the organization. A feeling of inclusion and contribution towards the shaping and influencing of the change initiative increases the chances that participants will be willing to accept and work with it. Burke and Peppard (1995) indicate that one of the reasons for failure in an organization might be insufficient employee involvement.

‘Employees’ in this context do not include directors or senior management, but the term covers middle and lower-level employees. It is a common feature of organizations that high-level management is the impetus for decision-making and decision-building, and very frequently middle or low-level employees are involved in such matters. Low and middle-level employees can contribute in several ways, either by ‘suggestion involvement’ or ‘high involvement’. Involvement in any form in decision-making is a reflection of progression and promotion. Hence this could lead to inclusion and development in the organization. In order to view employees’ involvement in the making of the organization, research has categorized four areas of an organization: general development; specific development that affects employees; operational problems; and setting standards of performance. Burke and Peppard (1995) indicate that one of the reasons for failure in an organization might be insufficient employee involvement.

Table 2: The Average Mean Score of Employees Involvement in Decision-Making

<table>
<thead>
<tr>
<th></th>
<th>Bank</th>
<th>TeleCo</th>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td>General development</td>
<td>31.33</td>
<td>29.67</td>
<td>5.33</td>
</tr>
<tr>
<td>Specific development that affects employees’</td>
<td>28</td>
<td>32.33</td>
<td>5</td>
</tr>
<tr>
<td>Operational problems</td>
<td>35.33</td>
<td>41.67</td>
<td>8.67</td>
</tr>
<tr>
<td>Settings standards of performance</td>
<td>35.33</td>
<td>33.67</td>
<td>3.67</td>
</tr>
</tbody>
</table>

Employees’ from the Bank show a high involvement in the aspects of ‘operational problems’ and ‘setting standards of performance’, closely followed by the aspect of general development. Interestingly, compared to the other two organizations, Telekom employees had the highest scores in the aspect of operational problems. Overall, the University showed the lowest score of involvement in all aspects of the organization. This might be due to most of the decisions in the University being made by top-level management, and lower level employees having a minimum of involvement in making decisions.

Overall the results for the Bank and TeleCo show that their employees were quite highly involved in the decisions made by the management. This indicated that employees should either make suggestions or opinions and should always be welcomed by the management. The results for the Bank and TeleCo show that employees’ ideas are always welcome in the organization compared to the University where it is restricted to individuals or to a certain level of employees.
Employees’ Perceptions of Changes Affecting Their Work Tasks

Another factor to be examined is employees’ perceptions of the changes that may affect their work and overall routine in the organization. When a process is re-engineered, jobs evolve from narrow and task-oriented to multidimensional jobs. Four main areas are developed: ‘job satisfaction’, ‘interesting work’, ‘having to work harder’ and ‘finding life easier’.

Table 3: Employees Perception of Reengineering Affecting Their Work Tasks

<table>
<thead>
<tr>
<th>Summed Scales</th>
<th>Bank</th>
<th>TeleCo</th>
<th>University</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>55</td>
<td>36.33</td>
<td>87</td>
</tr>
<tr>
<td>Interesting work</td>
<td>82.67</td>
<td>39.83</td>
<td>110.33</td>
</tr>
<tr>
<td>Having to work harder</td>
<td>90.67</td>
<td>43</td>
<td>118.67</td>
</tr>
<tr>
<td>Finding life easier</td>
<td>77</td>
<td>37.17</td>
<td>99</td>
</tr>
</tbody>
</table>

Surprisingly, the results in Table 3 show the same order of ranking based on the scores. Employees from all three organizations perceived themselves as ‘having to work harder’ after BPR had been implemented, with University showing the highest mean score followed by BIMB. However, employees felt dissatisfied with their work since the changes had taken place. The results indicated that employees in University scored high on the view that BPR had affected their daily work tasks, but had the lowest score for involvement, as shown in Table 2 TeleCo showed the lowest mean score in all aspects indicating that employees saw the changes as affecting their job negatively. This is followed by the Bank.

Employees’ Clarity and Acceptance of Different Information Being Communicated By Management

The next dimension to be investigated was how employees understood, and at the same time accepted, different information that was communicated. Employees should be able to understand and accept specific information being communicated in the organization, and this was investigated. The clarity of information being communicated to the employee will show the link between the levels of the employees understanding of information and his/her resistance to change. If there is any evidence of resistance, employees have not fully understood the messages, or the management have failed and miscarried the intended messages, or there has probably been a breakdown in communication. However, if resistance emerges, it does not always indicate that the management has failed to deliver the intended aims and objectives.

It must also be recognized that employees can easily misunderstand and formulate a disjointed evaluation of information and messages conveyed. Employees who deliver service ‘day in and day out’ need to understand how their work fits into the big picture of the organization’s goals. Moreover, for employees to remain motivated, interested in and supporting the organization and its goals, they need to share an understanding of its mission and have an overall view of it. In short, the expectations and overall view of the organization must be clearly communicated to all employees. A compelling message of need, together with inevitability, will have everyone working hard towards the BPR objective. This will enable employees to progress the BPR project to a successful conclusion for the organization.

Six major areas that involved both employees and the organizations were developed and categorized in order to determine the employees’ understanding and acceptance of the messages communicated. Comparison was then made between the three organizations (The Bank, TeleCo (public organization) and the University). Tables 4, table 5 and table 6 present a summary of the mean scores for employees’ understanding and acceptance in the three organizations.

Table 4: Bank - Weighted Average Score of Employee Clarity and Acceptance of Different Important Aspects that had been Communicated

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Seen by Employees as Meeting their Needs</th>
<th>Not Well Understood by Employees</th>
<th>Greeted by Employees with Some Resistance</th>
<th>Vigorously Resisted by Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information about the Mission or Set of Objectives</td>
<td>3.33</td>
<td>14</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Specific Roles in the Organization 4.67 10.33 2.33 0
Management Roles in the Organization 2.33 10 5 0
Manpower Changes 1.67 14.33 1.33 0
Standards of Performance of Individuals 0.33 15.33 1.67 0
Solving Operational Problems 0 14.33 3 0
Weighted Average Scores 12.33/6 = 2.055 78.32/6 = 13.053 13.33/6 = 2.222 0

The results in Table 4 show that most of the aspects listed were perceived as not familiar by the employees. ‘Performance of the employees’ had the highest score of 15.33, indicating that the employees were not being well informed about their performances in the bank ($\alpha = .55$).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Seen by Employees as Meeting their Needs</th>
<th>Not Well Understood by Employees</th>
<th>Greeted by Employees with Some Resistance</th>
<th>Vigorously Resisted by Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information about the Mission or Set of Objectives</td>
<td>5.83</td>
<td>1.83</td>
<td>0.17</td>
<td>0</td>
</tr>
<tr>
<td>Specific Roles in the Organization</td>
<td>5.17</td>
<td>2.50</td>
<td>0.17</td>
<td>0</td>
</tr>
<tr>
<td>Management Roles in the Organization</td>
<td>5.67</td>
<td>2.17</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Manpower Changes</td>
<td>7</td>
<td>0.50</td>
<td>0.33</td>
<td>0</td>
</tr>
<tr>
<td>Standards of Performance of Individuals</td>
<td>7.17</td>
<td>0</td>
<td>0.67</td>
<td>0</td>
</tr>
<tr>
<td>Solving Operational Problems</td>
<td>4</td>
<td>3.83</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Weighted Average Scores</td>
<td>34.84/6 = 5.807</td>
<td>10.83/6 = 1.805</td>
<td>1.34/6 = 0.223</td>
<td>0</td>
</tr>
</tbody>
</table>

Employees of TeleCo scored quite low in this aspect. However, the results indicated that all aspects being communicated were meeting their needs ($\alpha = 0.78$).

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Seen by Employees as Meeting their Needs</th>
<th>Not Well Understood by Employees</th>
<th>Greeted by Employees with Some Resistance</th>
<th>Vigorously Resisted by Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information about the Mission or Set of Objectives</td>
<td>0.67</td>
<td>18.67</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Specific Roles in the Organization</td>
<td>0</td>
<td>17.67</td>
<td>0.33</td>
<td>0</td>
</tr>
<tr>
<td>Management Roles in the Organization</td>
<td>0</td>
<td>6.33</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td>Manpower Changes</td>
<td>0</td>
<td>13.67</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>
Standards of Performance of Individuals

<table>
<thead>
<tr>
<th>Standards of Performance of Individuals</th>
<th>0</th>
<th>13.33</th>
<th>0.67</th>
<th>0</th>
</tr>
</thead>
<tbody>
<tr>
<td>Solving Operational Problems</td>
<td>0</td>
<td>5</td>
<td>0.67</td>
<td>0</td>
</tr>
<tr>
<td>Weighted Average Scores</td>
<td>0.67/6 = 0.112</td>
<td>74.67/6 = 12.445</td>
<td>3.67/6 = 0.612</td>
<td>0</td>
</tr>
</tbody>
</table>

The employees of the University scored very low in this area. However, the results indicate that the employees did not fully understand what the management was trying to implement in the university, especially regarding information about the objectives of the BPR implementation. However, the results show that there was no ‘vigorous’ resistance from the University’s employees, even though there was some perceived resistance. Results also indicate that most information being communicated were meeting employees’ needs (α = 0.56).

The total score of understanding and acceptance on the scale shows different scores among the different organizations. Employees of TeleCo had the highest total score, indicating that all aspects being communicated were meeting their needs. The University employees’ had the lowest score, showing a lower level of acceptance, and indicating that most of the aspects were not meeting their needs.

As regards the understanding of the aspects listed in Tables 4, table 5 and table 6, the Bank shows the highest score, indicating that the employees were not familiar with them. It was closely followed by the University. It is not surprising that TeleCo scored lowest in this phase, as they were familiar with most of the aspects and perceived positively the aspect of meeting employees’ needs. Employees’ of the Bank showed the highest total score, signifying that the aspects were not well communicated. This links with and parallels the level of resistance, where the aspects perceived were greeted with some resistance by employees. Even though there was no response by employees in the ‘vigorous resistance by employees’ column, some degree of resistance was shown in the three organizations.

**Contribution of the Present Study to Organizations**

BPR implementation in an organization may cause ambivalent feelings among the employees of the organization. As such, management needs to develop strategies in order to minimize these feelings.

In terms of communication, organizations should develop strategies and take strong steps in order to distribute information regarding BPR. Employees need to be clear about the programme, since they want to know what is happening in their organizations. Future plans and the development of the BPR programme should be made known to the employees.

Training should also be provided to employees who are directly involved in the BPR programme. It would be a good idea to have small gatherings or seminars to introduce the idea of BPR, so that employees do not have to rely on other employees in order to get information regarding the implementation of BPR.

The results of the present study indicate the importance of rewards and incentives. Employees who are involved directly with the implementation of BPR should be rewarded accordingly. These rewards and incentives may be some kind of motivation for them to contribute their ideas and energy to ensure successful programme implementation.

Information technology plays a major role in the development and progress of BPR implementation. Employees should be exposed to its usage, so that the latest news regarding BPR can keep them up-to-date with progress.

The role of the BPR team is probably the most important of the five factors. This is the group that needs to take the major steps in implementing the programme. Thus, top management should provide the fullest support (in terms of information and finance) to this group in order to make sure that the BPR programme runs smoothly.

Thus, it is suggested that top managers should draw up new policies regarding reengineering the organizations by looking into the perspectives of employees. Employees provide essential information that can help organizations to successfully reengineered their organization.
REFERENCES


