

CHAPTER 1

THEORETICAL FRAMEWORK

1.1 INTRODUCTION

The emergence of new businesses has created immense opportunities for both manufacturing and service organizations and has forced organizations to adapt these changes. Organizations have realization that if they don't change, they will perish (**Beer & Nohria, 2000**).

Macredie, Sandom and Paul, (1998) stated that successful organizations of the future, must get ready for change management otherwise, they will have to face extinction. Thus, it is crystal clear that one thing that is constant is "change" and it is the only thing that would remain constant.

From the era of "Ramayana" to 21st century; from Barter exchange system to plastic money exchange system; from philosophies of Kautilya (Teacher, philosopher, economist, jurist and royal advisor and scholar of ancient India) to the teachings of Philip Kotler, a lot of change has happened.

The phenomenon of organizational change is a well researched area of contemporary management theorists. 'Organizational change' is a process of optimizing performance of an organization from current state to achieving to an ideal state. It is organizations' environmental factors which determine the path to be taken for bringing the required change.

The environment determines the manner in which the organizations must operate but as such there is no accepted definition of what constitutes this current environment. However, the variables which surround and influence working of a particular organization are considered environment of that organization. Factors which influence organizations' environment could be economic, technological, political, and/or

sociological in nature. All said factors play an important role in determining the type of change to be implemented and also the pace of change to be adopted or implemented.

1.2 ORGANIZATIONAL CHANGE AND TYPES

'Organizational change' is the process of changing organizations' strategies, operational methods, structure, organizational culture, technologies. Organizational change can be continuous or it may occur in different periods of time. Typically, the phrase "organizational change" is about a considerable change in the organization. It could be an adding a major new product or service or could be very small change like adopting a new accounting practice.

Following are the various types of organizational changes adopted by organizations:

1.2.1 Organization-wide Versus Subsystem Change

Organization-wide change means restructuring of an organization. It can happen in the form of "rightsizing"; merger or acquisition of the organization. Usually, organizations must undertake organization-wide change to progress to a different level in their life cycle, for example from very dynamic organization to more stable and planned organization. On the other hand, subsystem might include restructuring of a certain department, launch of a new product or service, or implementation of a new process to deliver products or services.

1.2.2 Transformational Versus Incremental Change

Transformational change is sometimes referred to as quantum change. Transformational change might be change in organization's structure and culture from line organization to flat organization. On the other hand incremental change might include continuous improvement in product development or services through changed processes or reengineering. Kaizen technique of quality improvement is an example of continuous improvement of manufacturing processes in order to enhance quality or reduce production costs without compromising quality.

1.2.3 Remedial Versus Developmental Change

Change can be planned to rectify current problems also. If change is adopted as remedy to current undesirable situations like bad product launch or the employees' work pressures, large budget deficits etc., then it is a remedial change. Developmental Change is done to make successful situation even more successful, for example, expansion of organization's markets, increasing market share, adding more number of products etc.

1.2.4 Unplanned Versus Planned Change

Unplanned change is usually a sudden change situation. This type of a change requires quick remedy to problem. For example, sudden death of Chief Executive Officer or employee suddenly leaves the organization. This kind of situation demands its organizations to respond proactively. Planned change occurs when managers have an understanding of the need for a major change in advance and proactively organizes a plan to bring the change. Planned change occurs with successful implementation of a Strategic Plan.

Tetenbaum, (2004), suggested six factors responsible for the changes in the modern organizations and these are namely:

- **Dynamic technologies** have become a major reason for change because pace of change in technology is very fast and this has led to drastic change in consumer markets etc.
- **Globalization** which has resulted in a world that is evermore connected and interdependent because of sharing of information, money goods and services.
- Change processes and practices, are advancing very fast and tremendously.
- **Speed** which is unbelievable and changing the way business were done (product life cycles are measured in months not years) and speed of work of employees have changed incredibly due to advent of technology.

- **Complexity and inconsistency** have increased like anything. New technologies, e-banking, internet invasion, e-commerce; all these changes are creating more and more complex situations for managers.

Therefore, against a background of rapid environmental change, a growing knowledge workforce and the shifting of accepted work practices, change is becoming an ever-present feature of organizational life.

Change happens due to all above sighted reasons and change might come in the form of organization processes, new technology, and new policies or may be due to corporate restructuring. All such changes can happen in organizations by involving people and making them understand that why the change is required. Afterwards, the success of change depends upon how people carry out their jobs and if we are changing the way people work and their behaviours then resistance will naturally happen. The possibility of resistance to change might occur because of non-understanding of employees of required change or each individual in organization will have different set of values and insecurities from change.

For bringing this change of Business Process Reengineering, organizations have to go through the pain of change and face the challenges of change management. Different people take change differently and change is managed by different people differently. There are people - for them change brings fear and for certain people it is new opportunity to learn. Some fear of downsizing in organization. For others, it is improving performance through technology or physical infrastructure.

Therefore, it becomes important to have consensus on one definition. A planned change management process is required for bringing change in organization. The suggested process of change management is given below:

1.3 ORGANISATIONAL CHANGE MANAGEMENT

Change management is the set of tools, processes, skills and principles for managing the people side of change to achieve the required outcomes of a change project or initiative

(Prosci Change Management Consultants, 2014). ‘Change Management’ is the term which is not clear to many. It is generally being confused with reforms in policies or doing things totally in a new way. Fulla Shelly, (2007) defines, “the act of managing alterations to an organization’s culture hierarchy and business processes in order to achieve a desired outcome.” It is basically a continual process or method rather than a series of tools or exercises. Bernerth, (2004) defined it as process of physical changes and operations and emotional stimulation of employees. On the other hand Moran and Brightman, (2001) defined it as ‘the process of continually renewing an organization’s direction, structure, and capabilities to serve the ever-changing needs of external and internal customers.

1.4 CHANGE MANAGEMENT PROCESS

The change management process is suggested as line of activities which should follow in order to bring change in organization. Knowing how to bring timely changes has become very challenging. Kotter , a world-renowned change expert has suggested eight steps through his book "Leading Change." Based on Kotter’s research of the most effective and commonly applied change, most change management processes contain the following three phases:

Step 1: Create urgency

It is important to convey the need for change to staff for creating sense of change. Initial motivation can create an environment of change. Good start can push change process to get thing moving in right direction. Communicate with them openly, so that they can make themselves prepare for change. It is important to have convincing words with them for need of change. It is required to talk about the status of competition in the market and their position at the market place. There could be an apprehension in the employees' mind about the threat to be faced in future to come.

It is correct to talk openly about threats posed by organization and opportunities which can be exploited by organization in future. It becomes necessary to have open and honest discussion and communication about events and circumstances around you and

competition faced by organization. More involvement of employees and feeling of change itself become a starting point for change. Therefore, it becomes evident to communicate with them for creating an understanding for change.

Discussions in the beginning create an atmosphere of trust among top, middle and lower management. Request them to seek support from customers, vendors and industrial colleagues to support your argument. Kotter suggests that for change to be successful, majority of your people should be convinced from sought-after change. An appropriate ground work is required at this stage.

In other words, hard work and efforts are required to build urgency in the beginning before moving onto the next steps. Good preparation in the beginning will put project of change management on smooth road.

Step 2: Form a powerful coalition

The next step of change process is to convince people that change is necessary. For this a visionary management and strong leadership is required for persuading change for right cause. Change leaders can build a team of effective people throughout the organization. To identify the true leaders people having strengths from different areas should be included in team. The leader should identify their strengths and weaknesses to work upon them. Different people from different departments should be picked up to form a better team. Their sensitivity training should be done to have emotional commitment from them and as we are involving them from the beginning, therefore we can expect high commitment from them.

Step 3: Create a vision for change

At this stage, it is crucial to transfer a crisp vision statement to your employees. There is probability of ten solutions to your problem or different paths which may lead to your ultimate destination. It becomes essential to pass on these concepts and concerns, so that people can remember these. To remain crisp and clear, it is important to keep the values of organization at centre in your vision statement of change. It helps the leaders to convince the team members to follow the steps required for effective change. Ensure

that your change makes a crisp vision that could be conveyed in lesser time. Vision statements and mission statements should be motivating to inspire all team members. By crafting a clear mission statement and vision statement, you can powerfully communicate your intentions and motivate your team or organization to realize an attractive and inspiring common vision of the future.

Step 4: Communicate vision frequently

The next step of Change Management Process is to not to allow anybody to forget the vision from their mind. For that, a strong communication channel has to be built around people in your organization. The vision created by you can only work if it is communicated successfully to team members. It becomes the duty and responsibility of top management to do open communication with other members to create a bridge so that the transition of change can be crossed easily. To have proper stimulation and vision in their blood, communicate and transfer it every chance you get.

Hence, you should not depend on only special meetings to communicate your vision. Regular talks on issues and change put automatic reminders in the minds of people for an urgency to change and benefits from change. Always openly and honestly address peoples' concerns and anxieties.

Step 5: Remove obstacles

By this step of change process, there is hope of reaching change leaders to all levels of organization structures. Team members are clear about the reason of change. But there is possibility of certain apprehensions in the mind of people about change. There is also possibility of some people resisting change or there are certain processes, activities which may become hindrance in change.

Therefore, it becomes vital for team leaders to understand their inhibitions and help them in overcoming fear from change. Remove obstacles which may come in the way of change. Place the proper platform for change and keep an eye on various barriers which may come on the way. Removing obstacles can empower the people and they will take organization vision forward. To accomplish, removal of obstacles, organizational

structures, job descriptions, and performance and compensation systems have to be molded.

Step 6: Create Short-term Wins

To motivate team members, it is good to taste them a victory because nothing motivates more than success. Create short time targets and measure short term performances and award team members accordingly. Keep little room for failures and recognize success timely to award people. Your change team may have to work very hard to come up with these targets, but each "win" that you produce can further motivate the entire staff. But there are certain cautions to be taken at this stage. Don't choose early targets that are expensive. You won't be able to justify the investment in each project.

- Be careful in deciding early and expensive targets. It is difficult to justify the investment in project later.
- It is necessary to visualize the pros and cons of targets. A delay and obstacles at early stages may make the journey difficult in future.
- It is important that people who support the targets are rewarded properly.

Step 7: Build on the Change

Kotter (1996) opined that organizations' projects fail when they declare their win very early. Real change means, it goes too long and becomes habit in your blood. Quick wins of course are required in the beginning to get going in the long run but it makes sense to feel happy only when this win will go long run to build a strong base for future change. Launching one new product with changed processes and getting success has meaning only, if other 10 products will also meet the same good fate. Using a new system or positive results from one process is great. But if we can launch 10 products or go through 10 processes and results remain same, it means organization has adapted change and project is successful. Each success brings an opportunity to do SWOT analysis to underline the factors contributed to the success of project and what remained

weaknesses. Set further goals to continue building on the momentum you've achieved. Continuous improvement can only bring brilliant results.

Step 8: Anchor the Changes in Corporate Culture

Finally, to make any change secure, it should become part of the core of organization under change. Your corporate culture often determines what gets done, so the values behind your vision must show in day-to-day work. Ensure that continuous efforts to be made to see change in every aspect of your organization.

It is essential that momentum of change continues and all in team whether old employees or new members roped in support change. If these team members stop supporting, this will take project back to square one.

- Talk about progress of project every chance you get. Tell success stories about the change process, and repeat other stories that you hear.
- Include the change standards and values while hiring and training new staff.
- Publicly recognize key members of your original change coalition, and make sure the rest of the staff – new and old – remembers their contributions.
- Create plans to replace key leaders of change as they move on. This will help ensure that their legacy is not lost or forgotten.

Kotter, (1996) has mentioned that the speed of change is never going to slow down rather the competition in most industries will probably speed up the change in few decades. Thus, there is a dire need for managers to understand the course of action of Change Management.

1.5 BUSINESS PROCESS REENGINEERING: A TOOL FOR ORGANIZATIONAL CHANGE

"Organizational change" has been the area of research for many years and also remained the topic of writings in many disciplines like Management, Behavioural

Sciences Etc. Various reports by corporate organizations, papers and articles by academicians have been published on this concept. Many have suggested that BPR is a wonderful tool of management if implemented with utmost care.

It is not only the technology which has changed but the customers' demands, business regulations, competition, employees, working conditions have also changed. Organizational changes occur because of various reasons. These compulsive changes can be because of internal or external pressures. To implement these changes, organizations have to rethink in terms of strategies, cultures, policies, structures or processes (**Ellington, 1995**).

BPR is basically reinventing the organization and adopting new ways of working. It is like creating a new structure from the old and new organizational resources. Organizations have to find new innovative ways to bring these new changes. In recent years, “Business Process Reengineering (BPR)” has been recognized as the most effective tool of change management and it has attracted great attention from corporate professionals and researchers and has become the topic of research for managing change in organizations (**Goksoy, 2012**).

Today's businesses are either business to business or provide services to direct customers. In customer oriented organizations, two things are highly important and these are: business processes and people. If processes are well designed with full thought and home work but people are not involved and motivated - businesses will not flourish (**Peter & Sohal, 1999**). As **Linden, (1994)** opined that all types of organizations, whether service oriented or manufacturing are required to improve speed, accuracy, efficiency and competitiveness to increase productivity (**Doomun and Jungum, 1998**).

In order to bring positive changes in firm's efficiency, speed and productivity, thorough and radical changes are required and BPR is the best tool to handle all these (**Graham, 2010**). Although there are many cases of unsuccessful BPR in organizations, still it is considered as an essential management technique in order to achieve desired

improvements and organizational competitiveness. This could be achieved by successfully implementing BPR as suggested by various researchers.

In order to understand Business Process Reengineering, we need to understand its meaning thoroughly. A "**Business Process**" is an assembly or a set of pre-linked activities which lead to delivery or services to customers. These set of activities when followed or accomplished, meet organizational goals (**Balasubramanian, 2010**). Business Process has three elements: input, data and final output. **Orlikowski and Hoffman, 1997** have opined that one school of change management argues of wiping out old practices and designing new processes from zero but only few managers get an opportunity to redesign and rethink their processes.

The Business Process Reengineering (BPR) is described as the fundamental reconsideration and radical redesign of organizational processes in order to achieve drastic improvements in current profits, services and speed. In this context, important concepts are: Fundamental, Radical, Dramatic and Processes (**Hammer and Champy, 1994**). "**Fundamental**" here means BPR starts with the quest of management to change and this quest takes them to explore very fundamental questions of their way of doing work. These fundamental questions can be: Why do we do? How we do? and how could this work be done differently? The answers to these questions further go ahead in deciding about the structure and processes to be adopted in organization. After addressing these basic questions, companies can decide about the way they operate and eradicate obsolete, redundant and not required processes or activities (**Erim and Vayvay, 2010**).

"**Radical**" means starting the designing of processes from scratch. So, it suggests rethinking and writing on the plain paper. It is not a shallow change but actually a real change. It means making the old processes totally obsolete and designing better line of processes in the light of present situation and customers' requirements. "**Dramatic**" here means reengineering is done for improvements and for this reengineering gigantic steps are taken to improve.

Therefore, Reengineering should only be taken when management requires total overhauling of processes and desires drastic changes in their working. **"Processes"** is very vital to understand. It is a set of linked activities which takes an input and convert it to final output by following certain set of standard steps. This output could be required at top level, lower level or to outside party like customers. Core processes if rightly put brings competitiveness and are valued by the customers. **Weicher and Yu, (1995)**, while discussing the concept of reengineering found that it traces its origin back to management theories developed as early as the nineteenth century. The objective of reengineering is to "make all your processes the best-in-class." Frederick Taylor recommended in the 1880's that managers could find out the best processes for getting their work done and reengineer them to enhance productivity. Following model given explains how BPR is considered a strategic tool and with the new designed process, it adds the value in organization.

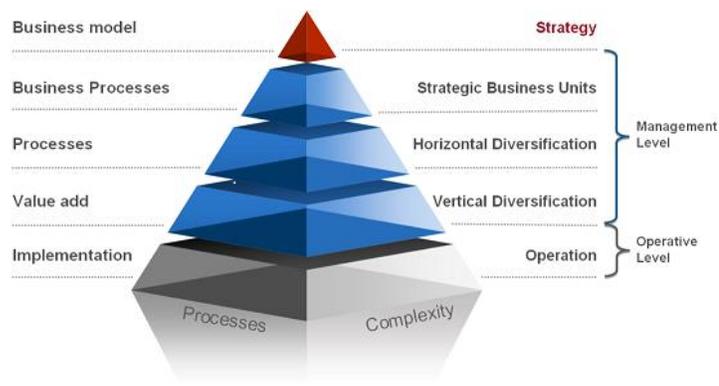


Figure 1.1: BPR Model (WesternacherAGT, 2013)

1.6 PRINCIPLES OF BUSINESS PROCESS REENGINEERING

There are seven principles of BPR suggested to get suitable results from project BPR (**Hammer and Champy, 1994**).

Process oriented not task oriented: The BPR is always process oriented, not task oriented. The process of reengineering helps in giving responsibility to one person and making that person responsible for the entire process or line of activities rather than end result or task itself.

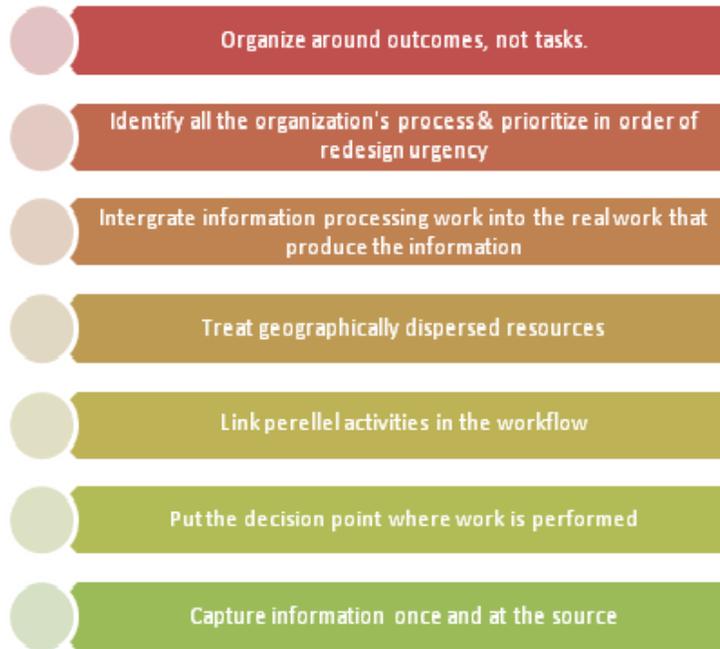


Figure 1.2: BPR Principles (Hammer and Champy, 1994)

Subsume information: It is imperative to keep single point for generating and processing of information. This principle conveys that person who is generating information should process it further. This method of work leads to error free and speedy system. This allows reducing redundant data work more effectively and efficiently. In many organizations that data is processed which is generated somewhere and being used somewhere else. This gap mainly becomes the reason of delays and errors.

Information users are information processors: For Business Process Reengineering, organizations form separate departments and each does its specific set of tasks. Every department then transmits its finished work to another department but this style of work provides slow services and bureaucratic process. This principle states that department which uses the information from the system should also handle its tasks and processes.

Putting the control where work is processed: Organizations follow different types of organizational structures and generally the task is performed by one person and controlled and supervised by another. Various important decisions are also taken by

those who are not responsible for performing the task. Because of this organizational structure, sometimes a lot of confusion and delay is created. Secondly, who performs duty is more aware of problems and concerns related to tasks.

Therefore, it is desirable that person managing responsibilities should be empowered enough to take decisions. This brings efficiency and speed in performing tasks. Businesses have understood that flattened organizations are more useful where levels of management are less and open communication is carried out. Expert systems and advanced technology are able to help in putting control and correct decisions by providing right information.

Creating parallel platforms of activities: It is important that parallel platforms of activities are formed and there should be communication and coordination among different connections/platforms of tasks instead of doing tasks separately and then integrating the tasks and results. Information technology is able to create this link efficiently.

Believing in centralization of resources: Centralization as well as Decentralization both brings benefits to business. Centralization helps in pooling resources at one place and disbursing it to entire business. This system of organization structure brings economies of scale but may delay the process of end tasks. On the other hand decentralization system helps in speedy work and enables better services to the customers. But today technology and communication has bridge this gap between two systems especially in case of service industry because wide databases centralizes data and telecommunications technology disperses it.

Capturing data at one place: Every organization has different sources of data bases related to different functions like Finance System, Management Reporting System, Marketing System, Human Resource System, and Operations System which access information and make use of it. Duplicate, redundant and superfluous data is created in old type of organizations. This decentralization of pooling of data is also expensive. Today, in this age of technological advances, it is possible to store the data at one place and with the help of technology, data can be transmitted and redundancy of data can be

avoided. Bar coding and Electronic Data Interchange (EDI) is the best way of storing and disbursing data at one place.

1.7 BUSINESS PROCESS REENGINEERING METHODOLOGIES

Valiris and Glykas (1999) stated that methodologies are designed to resolve many problems existing in the present. "Problem" is an idiom used for a fear or anxiety about particular circumstances and finding a methodology as a prescribed set of standard procedures or structures to resolve that dilemma. According to them, BPR methodologies try to find out the gaps between organizational tasks/activities and management strategy of bringing desired results from current organizational resources.

Davenport and Short, (1990) prescribed a five-step approach to BPR:

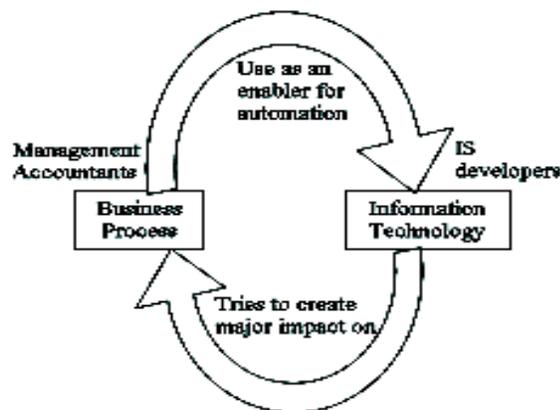


Figure 1.3: Two Different Approaches to BPR (Valiris and Glykas, 1999)

1.7.1 Five-Steps Approach to BPR

Step 1 – Make clear vision: The very first step of BPR is to develop a clear vision about desired results from the project BPR. These desired results could be cost reduction, quality improvement of end results or speedy work etc.

Step 2 – Identify the processes to be redesigned: It is important that most vital and important processes are redesigned at priority. Mostly firms use a high-impact approach that focuses on highly important processes or those processes which may become hurdle

in achieving organizational goals. So, prioritizing processes according to their importance is the key to success.

Step 3 – Understand and measure the existing processes: Care should be taken to repeat previously done mistakes in order to bring future improvements.

Step 4 – Identify IT levers: Organization should be conscious of IT capabilities which can and should influence process design.

Step 5 – Design and build a prototype of the new process: The altered results should not be considered as end results. These designed structures are basically models for references which produce quick delivery of results after implementation of projects. These models could be altered consequently in order to improve quality and customers' satisfaction.

Fitzgerald and Murphy, (1996) suggest that proper skills and experience are required for developing BPR project and it cannot be planned with a bird's-eye view rather, it requires microscopic and thorough checks. However, **Evans (1993)** explained BPR framework with the example of a bridge. He has suggested the following stages:

Stage 1: To Be: Clearly define what the destination of organization is and what it requires from its business processes as a consequence.

Stage 2: As Is: Define current business processes.

Stage 3: The Plan: A clear plan to be taken, a clear design from the current stage to the expected stage.

Stage 4: The Crossing: Implement the plan.

Other authors also suggested other methodologies to be adopted but overall it is about rethinking, redesigning and achieving desired results. Figure 1.4 gives an idea about the methodology as suggested by **Jacobson et al., (1995)**.

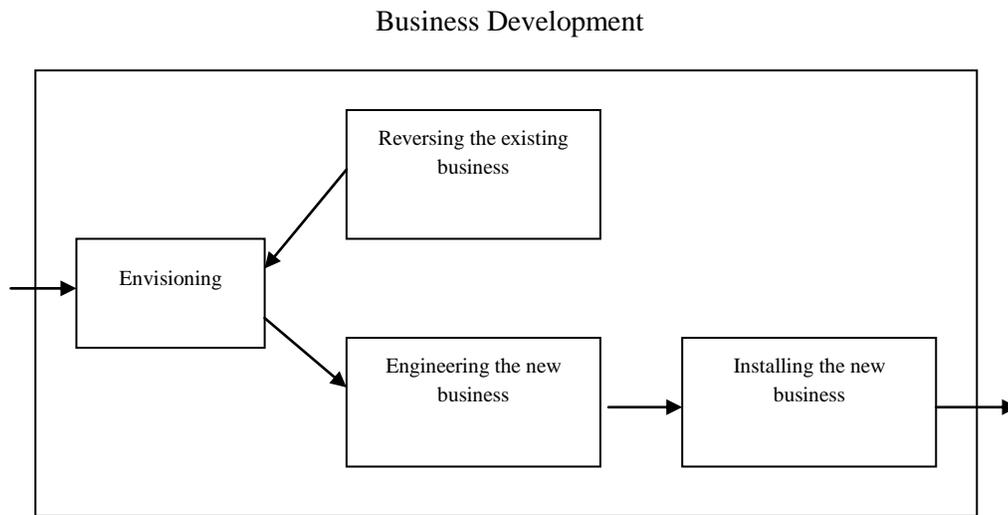


Figure 1.4: Jacobson methodology to BPR

1.8 BPR MODEL

Subramanian and Radhakrishnan, (2008) suggested the following steps to implement BPR project:

Inducement: At this stage employees who will become the drivers of change are motivated to join in the project and are explained the benefits of BPR.

Engagement of individuals: Trusted and motivated employees are identified and given the task of spreading the message about reengineering in the organization. It is suggested to involve employees who are committed and having potential to bring change.

Reinforcement and use of multiple value sets: Drivers of change are required to reinforce through analytical and behavioural skills and information is provided to employees. Experience and skills are required while passing information to them.

Realization: It is important that employees realize the need of change and to bring this realization an extensive training is required. This understanding and appreciation about change can actually make BPR possible. This is actually a real change and right start for any BPR project.

Empowerment: Once the employees are aware of desired changes and are also empowered to take decisions, then they will themselves identify useless activities.

1.9 BARRIERS TO REENGINEERING PROCESS

Subramanian and Radhakrishnan, (2008) highlighted various barriers in BPR project. An understanding of these barriers can give an idea to overcome various obstacles and issues faced by projects.

1.9.1 Project related issues

The project contents if not designed properly, bring many problems in future. Unclear and unambiguous project guidelines create confusion. Highly ambitious project of BPR may fail due to technical difficulties. In case of shift from manual processes to automated, people fear loss of jobs. Even appointment of external consultant creates resistance to change among employees because consultant's work style could be different. Thus, it requires that a right leader follows a clear cut approach to manage resistance of employees and other stakeholders.

1.9.2 People related issues

Resistance to change is a major obstacle in BPR implementation. BPR brings lot of apprehension of unemployment and loss of position. The behaviour of people depends upon their personality and also depends upon the behaviour of the group to which they belong.

1.9.3 Organization related causes

It has been found that the type of organization structure also creates hassles in achieving the targets of BPR. Bureaucratic organization structures do not welcome new processes and they resist. Non supportive organization culture is another major barrier.

1.9.4 Environment related causes

Sometimes environmental factors like legal framework of state or country, legal provisions, natural environment issues, religious concerns also pose barriers to process re-engineering. Suppliers or customers may also dislike continuous changes in working of organizations through process changes.

1.10 CRITICAL SUCCESS FACTORS (CSF) FOR BUSINESS PROCESS REENGINEERING

It is well established and recognized in past that organization development is only possible if attitudes of workforce, their feelings and style of work also get changed (**Garvin, 1993**). To understand BPR and its challenges, let us understand various critical factors suggested in literature. BPR is often used by companies on the brink of disaster to cut costs and return to profitability.

As suggested by **Habib (2012)**, there are many critical factors which can contribute and make BPR a success and absence of these can make it failure. Figure 1.5 depicts various critical factors which can contribute towards success of BPR.

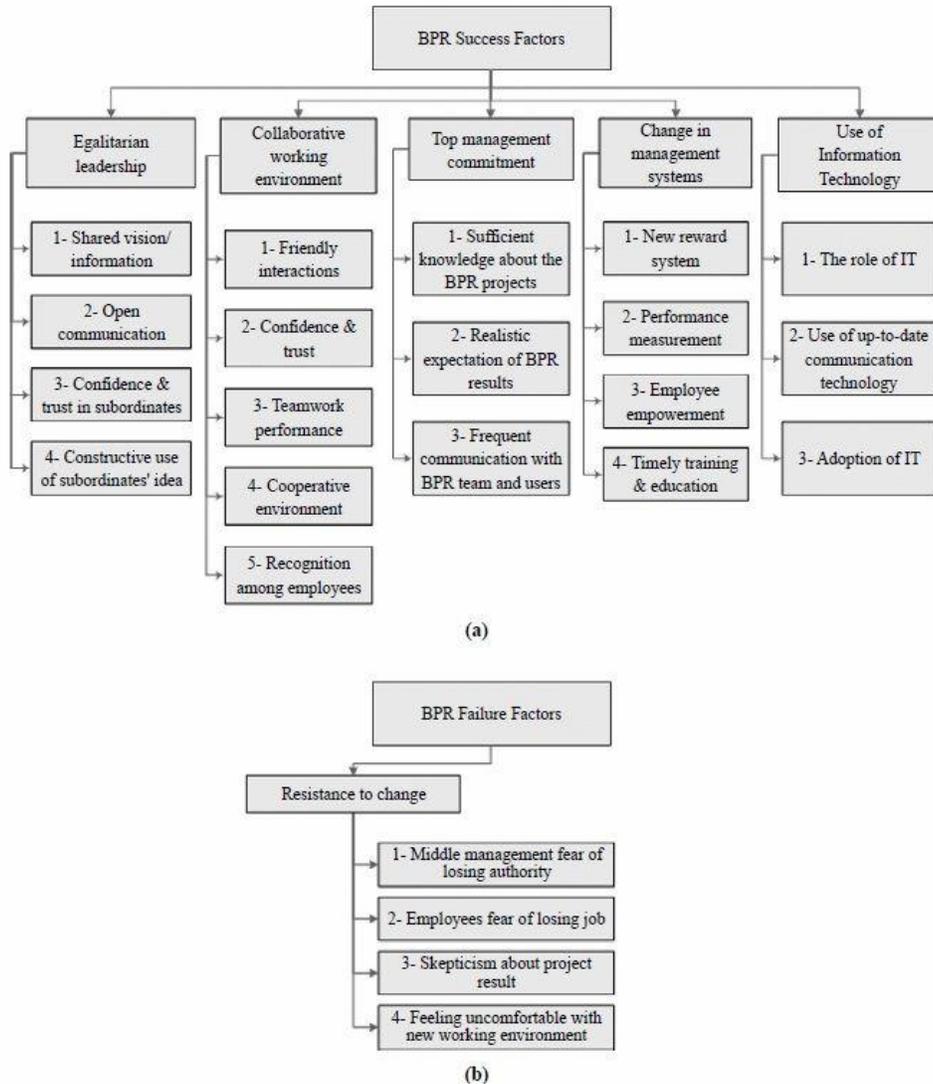


Figure 1.5: Model for Critical Success Factors (Habib, 2012)

Various studies conducted by different authors highlighted that it is leadership, a clear vision, open communication and motivation to employees that bring fruitful results. **Adam and O'Hare, (1998)** studied the importance of critical factors in public sector and tried to investigate whether these factors are equally important in private sector or not. He suggested that it is the effective communication, dedicated employees and empowerment to them that actually contribute towards success. Researchers argued that in spite of political interference BPR projects are taken in public sector. So, it is desirable that private sector should also do same.

Abdolvand, Albadvi, and Ferdowsi, (2008) studied two Iranian companies and tried to assess the readiness of companies and whether success or failure factors contribute towards readiness or not.

Ahmad, Francis, and Zairi, (2007) identified critical success factors in higher educational sector. They emphasized that right kind of culture in organization and teamwork along with right quality management and reward system, HR policies for incentives for good performance are the key factors.

Habib and Wazir, (2012) suggested that right guidance regarding various steps to be adopted to have successful implementation and training of employees about BPR are required for proper implementation.

It is believed that HR factors like employees involvement and employees empowerment are the actual reason for BPR success but importance of other factors like organizational structure, human skills, clearly defined roles and responsibilities of employees, timely performance measurement of employees, good quality IT infrastructure all these factors are also considered important (**Herzog et al., 2007**).

Habib et al., (2012) deliberated upon various factors responsible for failure of BPR project and guided to be cautious to avoid delays and total failure of projects. In spite of such understanding of critical factors many projects have failed. Causes of failure vary from business to business. Reasons or factors of failures are; management's closed communication system and their vision to take organization to a particular stature is also not clear. BPR is basically a coordination of men, processes and technology and failure in creating harmony leads to disaster (**Al-Mashari & Zairi, 1999**). Vague methodology and integration of resources are the major concerns (**Hammer & Stanton, 1995**).

Besides the success stories of BPR there are many failures and the size of failure is dependent on case to case and organization to organization. Some of the common reasons of failures identified by authors are: management heterogeneity, non coordination of people, badly designed processes and poor technology but it can only be achieved with clear vision and values (**Belmiro and Tania, 1995**).

Erim and Vayvay, (2010) suggested various Critical Success Factors and absence of these factors may lead to failure of projects:

- **Drive from top:** It is important that top management is committed for their job and they express their commitment to bring Business Process Reengineering Project across the entire organization. The light should come from the top and idea and decision of taking up this project should be transferred firmly.
- **Communication:** Open communication is key ingredient of critical success factors. So much drastic change is required for improvement in organization that it becomes important to communicate openly with organization's employees. Employees always fear of new circumstances. They resist change because of fear of loss of job or position.
- **Treat people fairly and with respect:** It is important that management creates an environment of respect and regard. Every employee should be treated with full respect. Top level employees must set examples themselves by behaving politely and respectfully with their subordinates.
- **Ensure that right sponsor is chosen:** The leader who would initiate and take this project further in company or any hired sponsor should be chosen very carefully. It is not essential that he may get success but wrong leader can spoil everything.
- **Be clear about the purpose of the redesign:** If management and employees are clear about reengineering objectives, it makes path easy and smooth. It is important that from top to bottom every person in the organization is clear about purpose and why are they going for reengineering. Whether it is customers' satisfaction, easy handling of processes, increase in speed, and reduction of cost whatever may be the cause of reengineering should be clear to all.
- **Synchronize the scale and scope of the project:** Depending upon the scope of the project scale should be decided. There should be alignment between scale and scope. If few functions are required to be reengineered then only overhauling is required in

those functions but if entire organization require changes then important core functions which lead to business of organization or end results should be thoroughly checked because it has serious implications.

- **Set aggressive re-engineering performance targets:** For dramatic improvements, it is must that performance targets are set. Standards of work should be fixed to achieve timely and expected results. Proper performance measurement system should be adopted.
- **Treat BPR as a holistic philosophy:** Organizations are set of various functions and these functions have various sub functions and all these sub functions are interdependent to each other. If one sub function or single function changes then it may become a way for undesirable effects on other functions. So, BPR change by taking broader prospective is more useful.
- **Aim for some quick hits:** Success at early stage of BPR builds momentum and creates confidence among employees. It can change their attitude towards change. These goals made and targets achieved in the beginning of BPR should be recognized and should motivate team to move forward.
- **Ensure that processes match the needs of the markets they are to serve:** It is important that market requirements of company should be understood in order to provide right kind of services. There has be alignment between BPR objectives/processes and market requirements.
- **Involve customers and suppliers in redesigning:** Both customers and suppliers are the life line and involving them in redesigning process gives insights into their expectations from that project. It is good and correct to involve them at planning stage of BPR. Their feedback is of utmost importance.
- **Dedicate resources to the project:** Experts, consultants and academicians can provide valuable support in BPR. Therefore, it is worth hiring specialized people for its success. Do not hesitate in hiring talent.

- **Recognize that IT provides opportunities for new designs:** Generally, BPR is Information Technology based (**Hammer and Champy, 1994**). Therefore, it becomes important to synchronize both old and new technologies.

1.11 SCOPE OF BPR AS CHANGE MANAGEMENT TOOL

It becomes important to explore the boundaries of change management. There are different activities which are required to do for effective change management. It is relevant to define boundaries to understand the areas to be covered for change management. This is done to ensure to address all key elements required to be covered for the project of change management. This further helps in deciding the different approaches or techniques to be adopted for the same. The homework done in advance helps to evade any overlap of activities that may create conflicts for the project. The boundaries also enable the separation of solution design, development and implementation from the actions required to manage the technical side and people side of that solution's deployment.

Following are the main components of change management:

- Change management process
- Willingness assessments
- Communication and communication planning
- Coaching and manager training for change management
- Training and employee training development
- Resistance management
- Data collection, feedback analysis and corrective action
- Celebrating and recognizing success

REFERENCES

- Abdolvand, N., Albadvi, A., And Ferdowsi, Z. (2008). Assessing readiness for Business Process Reengineering. *Business Process Management Journal*, 14(4) 497-511.
- Adam. Mc, R., & O'hare, C. (1998). An improved BPR approach for offline enabling processes: a case study on a maintaining process within the chemical industry, *Business Process Management Journal*, 4(3) 226-240.
- Ahmad, H., Francis, A., & Zairi, M. (2007). Business Process Reengineering: Critical success factors in higher education. *Business Process Management Journal*, 13(3) 451-469.
- Al-Mashari., & M. Zairi, (1999). Business Process Reengineering: Critical success factors in higher education. *Business Process Management*, 13(3) 451-469.
- Balasubramanian S. Radhakrishnan. R. (2008). *Business Processes Engineering, Text And Cases*, Subramanian, Prentice Hall India, 2008.
- Belmiro, Tania. R.(1995). Are BPR practitioners really addressing business processes? *International Journal of Operations and Production Management*, 20(10) 1183-1202.
- Bernerth, Jeremy (2004). Expanding our understanding of the Change Message. *Journal of Human Resource Development Review*, 3(1).
- Davenport.T. (1993). *Process Innovation: Reengineering work through information technology*, Harvard Business School Press, Boston.
- Doomun, R. And Jungum (1998). Business Process Modelling, Simulation and Reengineering: Call Centers, *Business Process Management Journal*, 14(6).
- Drucker, P. F. (1994). *Post-Capital society*. Butterwoth-Heinemann, Oxford University.

- Ellington, R. (1995). Organizing for organizational effectiveness: ethnicity and organizations, *Human Organization*, (53) 249–263.
- Erim, Aslı . Vayvay. Ozalp (2010). Is the Business Process Reengineering (BPR) proved itself to be a trustable change management approach for multinational corporations? Case studies from the literature, *Journal of Aeronautics and Space Technologies*, 4 (4) 23-30.
- Evans, K. (1993). Reengineering and Cybernetics. *American Programmer*, (Special Issue).
- Fitzgerald, B and C. Murphy (1996). Business Process Reengineering, The creation and implementation of a methodology. *The Canadian Journal of Information Systems and Operational Research*.
- Fulla Shelly (2007). *Government Finance Review*, Finance Officers Association, Canada, Published By Govt. of Canada.
- Garvin, D.A. (1998). *The Processes of Organizations and Management*, MIT Sloan Management Review, Sloan.
- Goksoy. Asli, (2012). Business Process Reengineering: Strategic tool for managing: organizational change an allocation in a multinational company, *Journal of Business and Management* 7 (2).
- Graham, R. S. (2010). *Business Process Reengineering: Strategies For Occupational Health And Safety*, Cambridge Scholars Publishing.
- Habib, N. M., & Wazir, I. M. (2012). Role of education and training in the successful implementation of business process reengineering: a case of public sector of Khyber Pakhtun Khwa (KPK) world *Journal of Social Sciences*, 2(2) 172-185.
- Hammer, M., & Stanton, S. A. (1995). *The Reengineering Revolution: A Handbook*: Harper Business.

- Hammer, M., Champy. J., (1994). Reengineering The Corporation: A manifesto for business revolution', Harper Collins, London, cited in the proceedings of The 4th Annual International Conference On Industrial Engineering Theory, Allocations And Practice November 17-20, 1999, San Antonio, Texas, USA.
- Herzog, N. V., Polajnar, A., & Tonchia, S. (2007). Development and validation of Business Process Reengineering (BPR) variables: A survey research in Slovenian companies. *International Journal of Production Research*, 45(24) 5811-5834.
- Jacobsen. Rumbaugh, Ivar, Grady Booch (1999). *The Unified Modeling Language Reference Manual*.
- Kotter Jhon P. (1996). *Leading Change*, Harvard Business Review Press.
- Linden, R. M., (1994). *Seamless Government, A practical guide to reengineering in the Public sector*. San Francisco: Jossey-Bass Inc.
- Macredie, R.D., Sandom, C., & Paul, R.J. (1998). Modelling for change: An information systems perspective on change management models. *Management Review* Springer, In R. Macredie & D. Anketell (Eds.) *Modelling For Added Value*, 3-16.
- Mcadam, R., & O'hare, C. (1998). An Improved BPR Approach for Offline Enabling Processes: A case study on a maintaining process within the chemical industry, *Business Process Management Journal*, 4(3) 226-240.
- Moran, J. W. And Brightman, B. K. (2001). *Leading Organizational Change*, *Career Development International*, 6(2) 111–118.
- Peter, O., & Sohal, A., (1999). *Business Process Reengineering A review of Recent Literature: Technovation* , 571–581. 21-32.

- Prosci Change Management Consultants (2014). What Is Change Management?
Accessed Online at: [http https://www.Prosci.Com/Change-Management/What-Is-Change-Management?](http://www.Prosci.Com/Change-Management/What-Is-Change-Management?)
- Jacobsen, Rumbaugh, Grady Booch (1999). The Unified Modeling Language Reference Manual.
- Stahl, D.A. (1998). Reengineering: The key to survival and growth under PPS. Journal of Nursing Management, 29, 168.
- Sweo, JR., R. And Luker, W. A. (2000). Convergence versus Strategic Reorientation: The Antecedents Of Fast-Paced Organizational Change, Journal Of Management, 26 (5), 911-945.
- Tetenbaum, T. (1998). Shifting Paradigms: From Newton To Chaos'. Organizational Dynamics, 26(4).
- Title Proper, Kaizen Strategies for Successful Leadership, (1996). Pitman Publishing, London.
- Valiris, G. And M. Glykas, (1999) Critical Review of Existing BPR Methodologies, Business Process Management Journal, 5(1) 65-86.
- Weicher. Maureen, William W. Chu, Wan Ching, Lin Van Le And Dominic Yu (1995). Business Process Reengineering: Analysis and Recommendations, Available Online At [Http://Www.Netlib.Com/Files/BPR1.Pdf](http://Www.Netlib.Com/Files/BPR1.Pdf)
- Westernacher.Agt. (2013). Enduring Added Value with Process Architecture, Accessed Online At: <http://Www.Westernacheragt.Com/Company-Information.Html>