



New Managerialism in developing Countries: A Look at the Practice of BPR from Ethiopian Experience

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Abstract

The aim of this paper is to examine whether the Reform agendas (commonly based on philosophy of new managerialism) can achieve their intended purpose within the cross national cultural contexts of the developing countries. BPR, a management tool developed in the private sector of the Western world, has a mixed history of success and failure. This implies that we should not assume that BPR is a solution for all management problems and adopt indiscriminately. Accordingly, rather than copying the model as it is in the Ethiopian context which is different in many respects from the organizations in the US and other countries, it is critical to carefully consider the cultural and organizational factors and see what aspects of the model are applicable for BPR implementation and incremental change.

Keywords: BPR, new managerialism, CSR

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Introduction

In the face of growing competition and economic pressures, most firms are shifting their fundamental unit of analysis from the business function to the business process (Grover, 1994). Business process reengineering (BPR) involves the severe change of age-old processes for substantial improvement in performance. According to Khosravi (2016), process orientation, which involves managing organizations based on horizontal end-to-end processes, has increased the quality of products/services, decreased expenses, and made business functions more reliable. Nevertheless, current process orientation techniques may be more radical and destructive, leading to failure in some cases. The existing process management models plan to provide a comprehensive perspective on all of the main activities integrated in process management and strategic alignment, with less concentration on mitigating the risk of failure in their redesign stage. BPR has been considered necessary for making any improvement in organizational competitiveness (Guimaraes, 1997).

During the past two decades, there have been both successful and unsuccessful cases; of BPR implementation. Therefore, systematic and rigorous evaluation of the factors contributing to BPR success is necessary. According to Guimaraes (1999), success can be defined in three ways: goals and objectives completed by the project, benefits extracted from the project, and the project's effect on company performance. Guimaraes (1999) reported that organizations were not emphasizing some of the most essential activities and tasks recommended in the BPR literature, such as changes to customer/market-related business processes, the value-added factor of each business activity, and implementing the correct innovative technology. In fact, top managers should not be involved in BPR before ensuring the presence of the essential success factors.

In order to strengthen their public services, developing countries have been undertaking numerous reform programs. Getachew, (2006) emphasized that "within the context of administrative reform in Africa, the reform of public bureaucracy is central to the modernization of public service delivery." Although such reform practices advocated by the IMF and World Bank have been introduced in many Sub-Saharan African countries, there are concerns that demand careful considerations for these reform initiatives to achieve their intended goals.

Accordingly, the aim of this paper is to examine whether the Reform agendas (commonly based on the philosophy of new managerialism) can achieve their intended purpose given the cross national cultural contexts of the developing countries. In doing this, the series of civil service reform programs (CSRP) in Ethiopia was considered as a case study on the practice of CSR programs in Sub-Saharan Africa.

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Hence, this paper begins with the summary of reform programs in developing countries. Then, to gain a detailed appreciation of the practice of transferring the Western developed managerial Principles (New managerialism), a close examination of the third phase of public service reform in Ethiopia (the introduction of BPR) was conducted by analyzing the essence of BPR from the Ethiopian national context.

The NPM and public sector reform in developing countries

New managerialism or New Public management (NPM) refers to “techniques and practices drawn mainly from the private sector and increasingly seen as global phenomena.” (Larbi, 1999). NPM, as theory and practice, emerged in the early 1980s consequently; governments in sub-Saharan Africa have been conducting many endeavours aimed at reforming and transforming their management in public service (Hope, 2001). NPM efforts have been driven primarily by the principle that the economic market model should be applied as a model for political and administrative relationships. (Ibid)

According to Larbi, G.A., (2003), the pressures to change traditional bureaucracy and move towards the NPM among others can be explained as follows:

The first and most important reason driving the restructuring process in the public sector of the developed nations in the 70s and early 80s is the economic and fiscal challenges put upon governments. These pressures emanating from fiscal stress resulting from huge public sector deficits, external trade imbalances and rising indebtedness, especially in the case of developing countries led to a more radical change in the public sector of developing countries.

The second pressure is response to the criticisms of the bureaucratic machineries of government which are found to be both ineffectiveness and inefficiencies in providing public services. Theoretical critics coming from public choice theory have become a significant pressure as it is supported by public attitudes to exert huge pressure for governments to seek for alternatives to the delayed, rule rather than performance based wasteful insensitive traditional public administration.

The third driving force to the change is explained by the renaissance of the “new right politics in the late 70s and 80s (e.g. Reganomics and Thatcherism) that were pro- market and pro- private sector”. This is an ideological support for NPM.

The fourth factor for the move to NPM is the influence of International management consultants who were the forerunners of the NPM ideas by producing and promoting elements of NPM techniques for governments reforming their public sector in addition to their advisory role for governments worldwide in their reform initiatives.

In addition to the pressures mentioned above, IMF and World Bank’s prescription of pro- market and pro-private sector structural adjustment programmes as preconditions for extending loans to most developing and transitional economies is the driving force for their adoption of NPM elements in their reform initiatives.

Finally, the increasing trend of globalization, entailing financial integration and liberalization that led to competition has forced governments in many parts of the world to change their conventional conceptions concerning public sector. Accordingly, to cope up with the emerging economy and new and modern information technology they are forced to restructure their public sector in line with the requirements of the global market. The increasing use and application of information technology to respond to the prevailing global market and competition by it safe is also creating a momentum for some of the elements of the NPM reforms of performance management, executive agencies and decentralization of public sector, among others, which demand indirect monitoring and control of performance that is going to be enhanced by the use and development of information technology.

These pressures and forces led to the emergence of a new market-driven mode of governance in many developing countries (Haque 2001). As explained by the same author, although different countries adopt NPM, there have been visible differences in reform strategies across countries, . However, a common feature has been the adoption of market- oriented governance.

NPM, although known by different terms such as managerialism (Pollitt, 1990), new public management (Hood, 1991), market-based public administration (Lan & Rosenbloom, 1992), and entrepreneurial government (Osborne & Gaebler, 1992), the fundamental principles are one and the same. It is about a major shift from the traditional



public administration in several aspects. For example, Lan and Rosenbloom (1992) observe that the chief aim of market based public administration approach is that public administration can achieve its historic quest for both efficiency and responsiveness to the public through competitive market-like practices. Osborne and Gaebler (1992) even called for a cultural shift away from bureaucratic government towards an entrepreneurial government as it is both competitive and customer driven.

According to Pollitt 2003, although there are many definitions of NPM, there are significant overlaps among them. He further noted that “many commentators allow that the NPM has a number of facets or ingredients, and that from one country and time to another the emphasis may vary between these.” Referring to the definitions of different authors, he has synthesized the following key elements of NPM:

- A shift in the focus of management systems and efforts from inputs (for example staff, buildings) and processes (for example teaching, inspecting) towards outputs (e.g., test results, inspection reports) and outcomes
- A shift towards more measurement and quantification, especially in the form of systems of performance indicators and/or explicit standards.
- A preference for more specialized, lean, flat and autonomous organizational forms rather than large, multi-purpose, hierarchical ministries or departments.
- A widespread substitution of contracts (or contract-like relationships) for what were previously formal, hierarchical relationships
- A much wider-than-hitherto deployment of markets (or market type mechanisms (MTMs) for the delivery of public services
- Alongside the favouring of MTMs, an emphasis on service quality and a consumer orientation (thus extending the market analogy by redefining citizen- users of public services as consumers).
- A broadening and blurring of the frontiers between the public sector, the market sector and the voluntary sector
- A shift in value priorities away from universalism, equity, security and resilience, and towards efficiency and individualism

NPM essentially implies fundamental changes to the power relationships between the key players in the system of government and requires considerable attitudinal changes on the part of bureaucrats. As Arellano-Gault (2000: 403) argues: “[A]ll NPM reforms depend on the 'good will' of politicians and bureaucrats. They can decide what kind of reforms they would like to implement (and how far they would push them). Predictably, it could be expected that preference will be given to those reforms that give the appearance of change without jeopardizing politicians' [and bureaucrats'] fundamental current discretionary privileges. »” Although adopted for these reasons and purposes many studies indicate there are numerous problems in adopting the reform initiatives. As identified by Polidano (1999), “while many developing countries have taken up elements of the NPM agenda, they have not adopted anything close to the entire package; and they are simultaneously undertaking reforms that are unrelated or even contrary to that agenda. The new public management is only one among a number of contending strands of reform in the developing world.” The problem of adapting such initiatives has been reasoned out by Schick (1998). In his article “Why Most Developing Countries Should Not Try New Zealand Reforms,” Schick argues that although many developing countries have shown interest in transplanting the New Zealand model of reforming government operations that come up with very significant improvements in the New Zealand context, “developing countries, which are dominated by informal markets, are risky candidates for applying the New Zealand model. The author suggests that basic reforms to strengthen rule-based government and pave the way for robust markets should be undertaken first.”

Finally, Polidano (1999) raises an important question about whether the New Public Management works in the developing world. In line with that, there are so many research issues that have to be considered, taking into account different factors for successful adoption of NPM in Developing countries. This paper aims to describe the practice of adopting BPR which is one of the NPM reforms in Ethiopia.

What is Business Process Reengineering?

Business Process Reengineering (BPR) has become a widely used approach to the management of change since the early 1990s, following the publication of the fundamental concepts of BPR by Hammer (Hill and Collins, 1998). Many organizations have reported dramatic benefits gained from the successful implementation of BPR. Business



Process Reengineering (BPR) began as a private sector technique to help organizations fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational costs, and become world-class competitors (Hammer, 1990; Thomas H. Davenport and J. Short, 1990; Hammer and Champy, 1993).

However, in recent years, this management tool has transferred from the private sector to the public sector, especially in Western countries. This is because there is an urgent public sectors demand for better performance of the public sectors, focusing on effectiveness and efficiency (Zairi and Sinclair, 1995). For example, many states in America have been adopting business process reengineering across their public sector since 1990s (Ibid). Moreover, developing countries such as Malaysia, Indonesia, Brazil and some African countries like South Africa, Uganda and Ethiopia are also going under such reengineering efforts in recent years.

The assumption behind this fundamental reform has been the claim that much of the work being done does not add any value for customers, and has a negative implication on the efficiency and effectiveness of organizational performance, since they are not accelerated through automation. Hammer (1990) argues that the best solution for an outdated, task-oriented and non-value-adding organizational structure is to adopt process-based BPR. Davenport and Short (1990) define business process as "a set of logically related tasks performed to achieve a defined business outcome." A process is "a structured, measured set of activities designed to produce a specified output for a particular customer or market. It implies a strong emphasis on how work is done within an organization" (Davenport 1993). In their view, processes have two important characteristics: (i) they have customers (internal or external),

(ii) they cross organizational boundaries, i.e., they occur across or between organizational subunits. Processes are generally identified in terms of beginning and end points, interfaces, and organization units involved, particularly the customer unit.

Thus, BPR is "the analysis and design of workflows and processes within and between organizations" (Davenport & Short 1990). Teng et al. (1994) define BPR as "the critical analysis and radical redesign of existing business processes to achieve breakthrough improvements in performance measures." Therefore, BPR implementation is supposed to lead fundamental change within an organization's structure, culture and management process (Al-Mashari and Zairi, 2000). According to Bashein (1994), the success of BPR depends on the following preconditions: senior Management Commitment and sponsorship; realistic expectations; empowered and collaborative workers; strategic context of growth and expansion; shared vision; sound management practices; appropriate people participation; and sufficient budget.

Hammer and Champy (1993) estimated that approximately up to 70 % of organizations which implemented BPR may not achieve the result they expected. BPR failure frequently is traced to ineffective communication, ineffective management of organizational resistance to change, or the failure to create the new organizational culture and structure needed to support it (Hill and Collins, 1998). King (1994) also views the primary reason of BPR failure as overemphasis on the tactical aspects and the strategic dimensions being compromised. He notes that most failures of reengineering are attributable to the process being viewed and applied at tactical, rather than strategic, levels. He discusses that there are important strategic dimensions to BPR, notably, developing and prioritizing objectives; defining the process structure and assumptions; identifying trade offs between processes; identifying new product and market opportunities; coordinating the reengineering Effort; and, developing a human resources strategy. He concludes that the ultimate success of BPR depends on the people who do it and on how well they can be motivated to be creative and to apply their detailed knowledge to the redesign of business processes (Markus et al. 1994).

One may identify five major factors affecting the value basis of the BPR implementation behind the divergence between the two categories: temporal (time), spatial (space), relational, ethical and authority factors. This is highly related with what Flood (1996) described as four dimensions of organizational change. These are: Process Change - change in organizational process and control over process, structural change; Change in Organizational Functions - their organization, co-ordination and control (could be horizontal and vertical), the decision system and human resource management; Political Change change in power distribution and the way organizational issues are influenced; and Cultural Change - in values, beliefs and human behavior in terms of relationships to social rules and practices.

The conflict we observe in Ethiopia is between changes implemented and lingering values that repeatedly resurface, dragging them back. What we are witnessing nowadays with regard to BPR implementation is that,



although the structural factor and process related reforms are put in place, there is considerable lag when it comes to value change and readiness for anew belief orientation.

Historical Background of BPR in Ethiopia

Ethiopia is the only African country which was never successfully colonized by European powers. This is not because there were no colonization attempts, but rather because of the heroic defeat of Italian fascism by the Ethiopian people during the reign of Menelik II. Until the reign of Menelik II, the country was not centralized, as the Ethiopian people lived as independent units in different forms. (Mulugeta, 2012)

The first attempt at a centralized government structure in the country was made by Menelik II in 1907, when he initiated modern civil service by establishing a few ministries with the hope of creating structured and efficient governance environment. However the initial vision of establishing modern civil service was not successfully materialized. (Kassahun). Despite a chain of institutional changes proportional to a multitude of new desires and imperatives, the period was typically characterized by weak leadership until Haile Sellassie succeeded Menelik's daughter, Zawditu, in 1930 (Getachew and Richard, 2006).

In order to create efficient and effective civil service based on specified rules and procedures of a uniform nature, Haile Sellassie undertook a series of institutionalization and restructuring measures. Although such measures were considered landmark efforts in addressing the emerging challenges of modernization by creating a conducive environment to respond appropriately to the effects of new challenges of modernization, the Ethiopian Civil Service was burdened by numerous problems that hindered the realization of the intended outcomes. The reasons for such failures, associated to the very nature of the government, are, among others, linked to the prevalence of excessive political loyalty rather than meritocracy and political intervention. Additionally, the wide spread practice of compromising rules and regulations and giving priority to individual and group interests at the expense of organizational goals, crippled the civil service's ability to direct the nation's development endeavours toward socio-economic progress. (Kassahun)

In 1974 the Imperial period was replaced by the Dergue Military junta, which is known for its extremely centralized and unitary government, emanating from its Soviet-inspired centralized economic planning and command economic system. During its period of 17 years in power the Dergue was not in a position to undertake any radical reform measures to change or modify the functioning and management of the civil service. Throughout the period, except for the introduction of a few reform measures, the civil service operated under the various orders and decrees issued during the reign of Haile Sellassie (Paulos, 2001).

Atkilt (1996) noted that although the administrative rules and regulations followed by the Dergue were the same those of the Imperial Era, the civil service expanded significantly both in terms of volume and quantity, and it was centralized and not structured. Like its predecessor, in the military period, the civil service was characterized by prevalence of excessive political patronage and political interventions. Moreover, the civil service in this period was typically failing due to neglect by politicians and deteriorating morale of civil servants as a result of very low pay and working conditions. To make matters worse, the rate of corruption had awfully intensified, reaching a maximum level. These malpractices and conditions can be attributed as the major reasons behind the failure of the administrative system of the Military government.

After the fall of the Dergue through military defeat by the EPRDF in 1991, different reform endeavours were undertaken by the current government to address the socio-political and economic problems of the nation. The process of bureaucratic reform in Ethiopia has been a chain effect of what began in 1991. These reforms can be categorized into the following phases: The first phase of the reform, from 1991 to 1995, took place on three interrelated areas: economic, political and constitutional. In terms of economic reform, the old form of central planning was replaced by market economy. The adoption of federalism, and power and fiscal decentralization is also one of the breakthroughs in political reforms. In terms of constitutional reform, a new constitution was enacted to accommodate the new state structure. The question was, however, whether Ethiopia had a bureaucracy that is capable of implementing these reforms. The Ethiopian bureaucracy of the time was characterized by very hierarchical structure with many non-value-adding works/positions/staffs, nepotism, lack of transparency and accountability, corruption, lack of leadership capacity, and an input-based rather than not output-based approach (Berihu Assefa 2000).

The system was not sufficiently prepared to handle change, making it difficult to undertake reform with the existing bureaucracy. Thus, the government established a new institution called The "Ministry of Capacity Building"



with the mandate of undertaking reforms in all public institutions (Proclamation No. 256/200: 1630-1632). The Ministry was the leading institution responsible for implementing the civil service reform programs throughout the country, with the objective of creating a modern civil service staffed with high human resource capacity. Along with that “Anti-corruption Commission” with the mandate of avoiding unaccountable and non-transparent procedures in public institutions was also established.

The second phase of Reform of Public Sector Management was initiated with the launch of the Civil Service Reform Program (CSRP) in 1996. The CSRP was designed to improve the efficiency, effectiveness, and transparency of public institutions, while seeking to build on the bureaucracy’s reputation for discipline and compliance. It included components such as:

- i. Expenditure Management and Control Project , (ii) Human Resource Management,
- ii. Top management systems, (iv) ethics, and (v) service delivery.

This reform effort has tried to address issues like improving governance of human resource management and control, improving performance and service delivery in the entire civil service, improving transparency and accountability in civil service, and strengthening top management system of federal civil service.

Despite all these efforts, the bureaucratic system was still too archaic and non-responsive to the technological and social changes that took place over the years.

Therefore, reengineering the civil service processes through BPR was considered the right solution to eliminate the red tapes and the redundant activities that had stifled the operation of the entire civil service. Thus, since 2004, the government endorsed BPR which can be considered the third phases of reform effort as a foundation for strengthening Result Based Performance Management System in the Civil Service. Scientific Management, Systems Theory and Operations Management are the theoretical and methodological foundations of BPR in this particular case (Tesfaye, 2009).

Thus, the argument here is that the current BBR effort in Ethiopia is a continuation of public service reform efforts that have been taking place since 1991. The new BPR reengineering efforts are believed to have completely changed and redesigned the public sector of the country, providing a remedy for the traditional and inefficient services delivery of public institutions. These institutions have been characterized by time taking processes, costly practices (high transaction cost), incompetence in service delivery (not up to the needs of customers), not responsive to the needs of customers (many complaints, questions, comments etc from customers but no response) and lack of dynamism in adopting to the changing environment (the world is changing, but our public institutions remain stagnant).

Recent surveys show that Business Process Re-engineering (BPR) has had widespread adoption in most countries (Champy, 2000). This has been motivated by case studies where drastic improvements in quality, productivity, cost reduction and competitiveness have been reported. The rate of failure in reengineering attempts, however, has been reported to be equally significant. Despite the substantial growth of the BPR concept, not all organizations embarking on BPR projects achieve their intended result.

As per the estimation of Hammer and Champy (1993), as many as 70 percent of organizations do not achieve the dramatic results they seek. This mixture of results makes the issue of BPR implementation very important. BPR has great potential for increasing productivity through reduced process time and cost, improved quality, and greater customer satisfaction, but it often requires a fundamental organizational value change.

In this regard, Peppard and Fitzgerald, (1997) identified the key principles that form the basic essence of BPR, demanding a specific context: "Notwithstanding the original conceptualization of business reengineering, a rigorous analytical assessment of the concept reveals that today the discipline essentially consists of eight key principles or core elements:

- A radical approach to performance improvement.
- A clear top-down approach to the management and communication of change.
- A process-oriented view of the organizational.
- A strong emphasis upon customer-orientation.
- A progressive approach to the optimum management of human resources.
- The need for new reward systems.
- A paradigm of the manager as an inspirational leader.



- An appreciation of the key role fulfilled by IT in facilitating organizational change.

These core elements are, therefore, considered in this paper to assess the practice of Business Process Reengineering within the Ethiopian context.

Radical Approach to Performance Improvement

One of the major reasons organization apply BPR is to achieve a radical change in performance. However, as stated by Hammer, 70 percent of organizations that applied BPR have a history of failure. If we look at the Ethiopian cultural context, Ethiopian culture is characterized by a risk-averse behavior. Such behavior cannot go in line with the radical change behavior of the Ethiopian civil service organizations. These problems are also further complicated by the rigid nature of public institutions in the Ethiopian context. Consequently, an incremental or gradual change is more appropriate in the Ethiopian context. In this regard, Tesfaye's research shows that "... considering the human resource and the technological capacities of Ethiopian civil service organizations, BPR can bring incremental benefit and evolutionary transformation instead of dramatic and radical change for the foreseeable future ". Tesfaye (2009)

Top-down Approach to Management and Communication

In addition to the radical nature of BPR initiatives, they also demand an exclusive top- down approaches for achieving radical change. (Peppard & Fitzgerald, (1997)). However, due the collective nature of the Ethiopian culture, any change or transformation needs a nationwide support. That is way many BPR initiatives in Ethiopia are nor successful.

Change comes with a new philosophy, the organizations norms, values, attitudes and over all cultures, which affect the ability of organizations to adopt to new changes. This is supported by Ahmed (2007) who proposes that, an organization must understand and conform to the new values, management processes, and the communication styles that are created by the newly- redesigned processes so that a culture which upholds the change is established effectively.

According to Saeed et al. (2013) there is a positive relationship between the manager's attitude and employees' performance. Organizational culture is an important factor in successful BPR implementation. Cooperation, coordination, and empowerment of employees are the standard characteristics of an innovative organizational environment.

An egalitarian culture should be developed in the organization to enable successful implementation of any organizational change. It also avoids stress and resistance to change among employees which is recognized as a fundamental barrier to change (Abdolvand et al., 2008).

"Since 2004, based on the general direction of the Ministry of Capacity Building, most federal civil service organizations have directed their efforts and resources towards implementing BPR. Though many claimed success, only few, for example, the Ministry of Trade and Industry, have slightly improved their efficiencies of service provisions (Tilaye, 1999). Therefore, the civil service organizations need to have workable model so that they can change their processes to improve the quantity and quality of their services/products." Tesfaye (2010).

Process- oriented View of the Organization

Process oriented view of organizational structure is another requirement of BPR. Here, the aim is to have a "... strict focus upon the organizations key value-creating processes which generally transcend organizational as well as traditional functional boundaries." (Peppard & Fitzgerald, (1997). However, in the context of Ethiopian Civil Service, all structures has been organized along functional organizations ever since. In other words, although all governmental organizations in Ethiopia are trying to reorganize their structures based on end to end processes, the mentality of the civil servants still views organizations as an aggregate of functional elements.

Emphasis upon Customer Orientation

The focus of BPR initiatives is the customer, and proving maximum value for them is at the heart of this efforts. Contrary to this notion, a close look at the history of the Ethiopian public service, reveals that the civil servants do not consider themselves servants of the public; rather, they view themselves as being served by the society. Consequently, unless a concerted effort is made to change this attitude, it will be very difficult to realize this aspect of the BPR. This aspect of BPR is very clear in the context of private business organizations, where the customer is the king and the profitability of business organizations is largely determined by the satisfaction of their kings (customers).In the public sector, however, unlike in the private sectors, some of their services are de jure

compulsory i.e., the customer doesn't have any choice. Under this circumstance, combined with the historical perception of public servants, it is very challenging to instill such orientation in the civil service organizations.

Human Resource Management

The fundamental shift in managerial philosophy is behind the waves of delayering, reengineering, and empowerment sweeping across today's organization. Rather than managing through abstractions of plans and controls, top-level managers are recognizing that their key task is to create a work environment that stimulates the company's valuable human resource to be more motivated, creative, and entrepreneurial than its competitors' employees. Only when they liberate and motivate their people to develop and leverage their knowledge and expertise will they have created a dynamic, self-renewing corporation.

The BPR initiative demands multi-disciplinary, skilled, highly-qualified, flexible, self-motivated employees who cherish responsibility and are willing to continuously learn and supplement their skill-base. Concepts such as empowerment, teamwork and continuous learning are all at the core of the reengineering philosophy. Gebre and Mesele (2014) supposed that, whatever option organizations' take into account (i.e. shape-up or shape-out) during the implementation of BPR to convince the employees about the change, the key question, whether the change is compatible with the human resource decisions.

According to Oscar (2013), in dealing with the concept of organizational behavior, perception becomes important because people's behavior is based on their perception of what reality is, not on reality itself; the world as it is perceived is the world that is behaviorally important. Perception is the process by which an employee organizes and interprets his/her impressions in order to give meaning to his/her environment and thus, it significantly influences his/her workplace behavior (Katsaros, 2014).

Employees' perception must be changed during the implementation of planned organizational BPR changes. Other researchers, such as Katsaros (2014), also suggest that as employees become more aware of the change process, their support for the change effort will increase. In his research findings, he concluded that management should try to initiate certain policies and practices that could positively influence employees' attitudes and thus, minimize the potential negative impact of the proposed change.

Previous researches indicate that to be successful, BPR should focus on achieving the empowerment of people and the application of appropriate enabling technology (Jamali et al., 2011). A collaborative working environment, including effective communication within organizational culture, also affects employees' performance. On top of this, Arinanye (2015) found a significant positive relationship between organizational communication and employee performance.

The Reward System

Another missing link in the BPR process of Ethiopia, is starting from the campaign of BPR to the present, the absence of change in the reward system of the country. To complicate matters further, the civil service culture and practice of Ethiopia is characterized by lack of mechanisms to link reward and performance. In this regard, Saeed et al. (2013) indicated that manager's attitude, organizational culture, personal problems, job content and financial rewards can affect employees' performance.

Given the prevailing realities such as: very insignificant salary level, few training and development opportunities, unfavorable working environment, and general nepotism and patronage dominated civil service environment, it is unrealistic to expect such human resource pools in the Ethiopian public organizations.

Leadership Style

To apply BPR in the context of developing countries like Ethiopia, in addition to the requirements mentioned above, entails a leadership approach characterized by managerial traits "...as outlined in the business reengineering literature is that of a flexible generalist who motivates and acts as a coach, mentor, and most importantly as a powerful leader as he/she crosses traditional functional boundaries." Peppard & Fitzgerald, (1997). In the case of Ethiopia, especially in the civil service organizations, most of the managers are technical professionals with no significant leadership traits that are crucial for the BPR success.

Past researchers like Jamali et al. (2011) concluded that, leadership style plays the most important role in the organization and determines the strategic direction of the organization. The degree of leaders' support in BPR implementation is very critical. Leaders should have adequate knowledge about BPR implementation and make



important decisions in BPR implementation process. Additionally, leaders should motivate employees and have a friendly interaction with BPR team.

Gebre and Nigussie (2015) perceived that, the ultimate goal of leading government policies, strategies and programs by being exemplary is to provide quality services and increase productivity to satisfy the public interest. According to the same source, institutional transformation and new organizational changes need effective leadership to know the new directions and to build motivation. Other scholars, such as Mahgoub (2004), stated that, leaders at any level of civil service organization should be well-informed during the implementation of government policies and should have the ability to harmonize strategies.

According to Sutcliffe (1999), insufficient leadership could be a cause for the high failure rate of BPR projects. BPR implementation needs a top-down, directive leadership style. Nevertheless, it also needs the management of motivated, skilled, independent-thinking people doing non-programmable jobs for which a non-directive leadership style is most appropriate. This generates an inherent conflict for BPR leaders on selecting the suitable style. Sutcliffe (1999) performed empirical analyses of the relationship between information system (IS) leadership behavior and BPR outcomes for 30 BPR projects and reported that successful BPR leaders could implement leadership styles that fit the kind of task that requires to be accomplished and the necessities of the people that would execute the tasks.

Role of IT in Facilitating Organizational Change

Information technologies are also important enablers of this change (Johansson, 1993; Chang, 2016). Information Technology (IT) is identified as a critical component and even a natural partner of a BPR project, since it has an important role in BPR projects (Abdolvand et al., 2008). Many authors have described that successful application of IT is effective in BPR success. Conversely, overlooking the role of IT can result in failure (Shin and Jemella, 2002).

Weerakkody et al. (2011) translated the BPR movement detecting to the field of e-Government induced change in the public sector. BPR characteristics and challenges in their survey were extracted using normative literature and compared with two case studies from public sector transformation in the UK and Netherlands. Their results show that e- Government- induced change needs a plan for a radical improvement which, in contrast to BPR, was achieved by incremental steps and maintained a high level of participation.

Many authors have described that successful application of IT is effective in BPR success. Conversely, overlooking the role of IT can result in failure (Shin and Jemella, 2002). To achieve the expected results in BPR implementation, appropriate IT infrastructure is needed. In most projects, BPR starts from IT department. IT is a natural partner of BPR and plays a critical and central role in BPR projects. IT not only speeds up the process to be carried out but also integrates processes and reduces errors, hence improves productivity (Jamali et al., 2011).

A close examination of the BPR process in Ethiopia reveals that, despite investments in the IT systems, there is a lot to be done to change the skill of public servants in this regard. Based on our personal experience in many organizations in Ethiopia Implementing BPR, there are no tailored made trainings to enhance the capacity of the civil servants to capitalize on the IT infrastructures invested with the transformational initiatives of BPR.

Implications of the Study

BPR, a management tool developed in the private sector of the Western world, has a mixed history of success and failure. Among others, the reason for its failure, as identified by its gurus Hamar and Champy, is that organizations say they are doing business reengineering while in reality they are not. Additionally, as the paper has attempted to illustrate in the Ethiopian context, there are some management and human resources factors that have to be in place for the BPR model is to work.

Therefore, rather than copying the model as it is in the Ethiopian context, which is different in many respects from the organizations in the US and other countries, it is critical to carefully consider the cultural and organizational factors and see what aspects of the model are applicable and do our assignments to shape the missing elements in order make them suitable for BPR implementation. This is supported by the “five star model” toward implementing any organizational change initiative of Galbraith. According to him, any organizational change should be implemented by taking into account both the soft ss (involving the people and reward systems) and hard ss elements (that include the strategy, structure and process). Contrary to his recommendation of creating reconfigurable organization that can deliver a solution to many organizational problems, many organizational structures like the Business Process Reengineering which were adopted by countries like our own , Ethiopia, is an

example of failure to appropriately implement, whose reason mainly are absence of changes, especially in the soft Ss like reward and development of employees, a change in leadership style and failure to change the routines in implementation of the program which ultimately lead to it failure.

AlShathry (2016) studied the current status of BPR implementation among Saudi Arabian firms. Although there was positive sentiment towards BPR concepts among Saudi organizations, it appeared that the practical understanding of BPR was immature. One of the important findings from the survey was the relationship between information technology (IT) and business strategy. As Al-Mashari and Zairi (1999) mentioned earlier, many BPR actions may fail without paying attention to many CSF factors and we hope the present study assists practitioners reach success on BPR implementations by giving appropriate attention to technological as well as educational factors.

There was, however, a lack of a holistic view of business processes and its related activities within a firm. Most surveyed firms in this study had either no clear business strategy or it was too complicated to integrate it with BPR initiatives. Some firms had no description process owners for their primary core business processes. Their main BPR attempt was mainly concentrated on the process activities rather than the process output and performance.

Brandon and Guimaraes (2016) examined the relationships between these success factors and the extent to which each BPR-project phase benefited from their presence in banking industry. They reported that some success factors were more or less essential to a specific project phase. Managers may increase the likelihood for overall BPR project success and success in each phase by making sure that the prescribed success factors were in place before they begin or as they pursue the project.

Terziovski et al. (2003) reported on a cross-sectional investigation based on a survey performed on strategic business units within the Australian Financial Services Sector with past BPR implementation. They reported that the proactive implementation of BPR, coupled with concentrating BPR efforts on core-customer business processes, were the predictors of BPR success. However, there was no significant and positive relationship between the increased implementation of IT and process cycle time reduction. The implication of these results is that managers have to reengineer their core processes from a customer perspective. They concluded that the key challenges for successful BPR implementation were changing attitudes and culture, ensuring extensive communications and dealing with resistance to change from middle management.

Reijers and Mansar (2005) performed an overview of heuristic rules, which could support practitioners to develop a business process design that represent a radical improvement over current designs, emphasizing the mechanics of the process. The different best practices were derived from the literature survey and supplemented with experiences of the authors. To evaluate the effect of each best practice along the dimensions of expense, flexibility, time and quality, they presented a conceptual framework, which synthesizes perspectives from areas such as IS development, enterprise modeling and workflow management. The best practices were believed to have a wide applicability across different industries and business processes and could be implemented as a “check list” for process redesign under the umbrella of diverse management approaches.

Ahmad et al. (2007) examined the BPR critical success factors in higher education (HE) and detected seven factors including teamwork and quality culture, effective change management, etc. Raymond et al. (1998) performed similar jobs on Canadian enterprises. McAdam and Donaghy (1999) studied the perceptions of staff in terms of critical success factors (CSFs) for successful BPR implementation in the public sector. They reported that many of the key CSFs detected for BPR in the private sector were equally relevant to the success of BPR in the public domain including top management support, commitment and understanding of BPR etc. Grover et al. (1994) presented the results of an exploratory study of 59 executives to find out whether or not corporations undertaking IT-enabled BPR projects perceived to be successful, and whether or not the success can be described by an integration of IS with strategy. Their results provided early optimism for this growing phenomenon, suggesting that the assumptions hold true for most major IT-enabled BPR efforts.

Ranganathan and Dhaliwal (2001) performed a comprehensive survey of BPR practices in Singapore. The study highlighted the status of BPR projects, motives behind their endeavors, the functional areas targeted for reengineering, roles of different organizational members in BPR programs, use of IT in BPR, and the main problems encountered in the efforts of Singapore companies. Their results indicated that about 50% of companies surveyed were engaged in BPR projects, with as many as 37% of the companies indicating their intention to take up BPR projects in the next few years. According to their survey, the main problems encountered by the Singapore



companies were insufficient human and financial resources, insufficient IT expertise and capabilities, and insufficient champion for BPR efforts.

However, there are some factors, especially the national cultural contexts, which are deeply ingrained and very difficult to change. The implication is that we should not assume that BPR is a solution for all management problems and adopt it indiscriminately.

Recommendations

The future of reengineering, or process change as the concept evolves, is difficult to evaluate without considering the current business trends. Global economy has mandated greater operational effectiveness and efficiency, and imposed tremendous pressures for cost reductions. These pressures have cut across different segments of the economy and have greatly impacted the operations of service and manufacturing firms. Unfortunately, many corporations have responded by performing major work-force reductions under the aegis of reengineering. Such efforts are not strategically driven and possess the danger of “throwing out the baby with the bath water” as firms lose vital components of the work force that will make them creative and productive in the long run. Such a response compromises future competitiveness and is doomed to fail, as is also being documented for a large proportion of unsuccessful “reengineering” projects.

In light of this discussion, perhaps the biggest challenge associated with the success of the reengineering phenomenon may be that of selling such a major change to the employees of the organization, and getting them to “buy into” the strategic changes that must be undertaken for the firm to survive and prosper. For example, outsourcing of those activities that do not contribute to core competencies or technologies to other firms who can perform them better may be a legitimate outcome of a good reengineering effort. It would lead to work-force reduction, but only with the purpose of making the firm leaner and more responsive. Time-based competition and the creation of “agile” corporations may not even be possible without such changes in work-force size and composition. As emphasis shifts toward greater knowledge component in value creation, a broader focus on process change management may perhaps be the only way to avoid skill obsolescence of employees and encourage horizontal career paths. The extent to which top-level management can sell such a vision of change and its impact on the employees will determine whether the reengineering phenomenon fulfills its true potential or is merely relegated to the sidelines as another panacea and buzz word of the 1990s.

In this regard, the following are recommended for developing nations in general and Ethiopia in particular, when they attempt to transfer BPR as one aspect of CSR:

First, there should be a clear understanding of the model and the organizational and cultural requirements of the different components of the management tool, second, rather than adhering strictly to the philosophy of radical change, we better look for incremental change. The contributions of leadership style in change army implementation is not satisfactory; therefore the organizations should expect to do more on indicators of good leadership style. The administration and individual offices at different levels should occasionally evaluate their status in implementing the change tools and the resulting outcomes in achieving the organizational mission. In doing so, the missing elements should be continuously improved so that the full impact of the reform can be realized and radical changes can be achieved.

Third, the attitude of civil servants should shift from its traditional notion and become customer-oriented by adjusting to the reward and performance evaluation system that value customer orientation. Government officials and the change teams should pay due attention to making the civil servants active, accountable, responsible, team-oriented, and integrated into strong networks. Drawing systems of coaching, monitoring and evaluation system as long as the change is being capture. There should be permanent briefing and awareness creation efforts for employees to understand that all the change tools are interconnected by their nature so that these would not be considered as additional burden introduced to make people busy.

Fourth, the organizational structure should be organized on a process- oriented basis through departmentalization, and concerted efforts have to be made to attract multi- skilled, flexible and qualified human resources. Each office holder should clearly understand the process, strategic issues as well as objectives with the targets intended to achieve, and other strategic management and reform related issues. This can be easily done by reading the BPR documents, and strategic plans of the bureau in question. Office holders should be chiefly engaged in strategic issues rather than the unplanned ones. Frequent meetings of officials and employees have to be reduced and



managed properly to save time for better service provision. In addition, training programs have to be arranged in advance before implementing the BPR Program.

Finally, CSR programs in general and BPR initiatives in particular should not be followed as a fashion in all areas of the civil service organization. This is due to the fact that Civil service organizations are different from private or business organizations. Moreover, we have to critically consider the organizational and cultural differences of many public institutions in the country. In other words, BPR should not be launched invariably in all organizations as a campaign, as has been the practice in our country. As there are moves by other Sub-Saharan countries to follow step of our experience, it should be a concern for management think tanks, scholars and consultants to show a warning sign before huge funds are invested in such initiatives.



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