

# Neutralizing Perceptions of BPR Hard Part among Shipyard Employees

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## Abstract

Deploying of BPR faces a lot of challenges either during pre-implementation, post-implementation, or both. Negative perceptions of BPR are one of the challenges normally happened during BPR deployment and it must be neutralized before it creates unnecessary resistance among employees. This research aims to neutralize BPR hard part such as radical change, clean slate process, and top down approach during revamping of project disbursement process in Shipyard. This study used qualitative method with interactive Action Research Cycle to neutralize BPR hard part using available BPR key critical success factors within Shipyard working environment. The findings were based on interview conducted on twelve interviewees from Shipyard's cross-functional department and stake holders related to project disbursement process. Negative perception during pre-implementation was gradually reduced and become more positive after applying BPR key CSF's during project implementation.

**Keywords:** BPR, radical change, clean slate process, top down approach, employee's perceptions.

## 1. Introduction

Business Process Reengineering (BPR) is widely known in industry as a management tool and being used to improve organization performance (Eftekhari & Akhavan, 2013; Mturi, 2014; Nicholds & Mo, 2015) since its first introduction by Michael Hammer in 1990 (Hammer, 1990; Hammer & Champy, 1993). The core of BPR approached are rooted to its three main key elements which are radical change, clean slate process, and top down approach (Dubey & Bansal, 2013; Edward & Charles, 2013; Ghatari et al., 2014; Weerakkody et al., 2011).

BPR nowadays is not talking about designing or redesigning business process only to be successful, it must accommodate human related factors to ensure unnecessary resistance does not exist and hinder its implementation (Al-Mashari & Zairi, 2000; Bekeli, 2012; Cao et al., 2001; Mturi, 2014; Sikdar & Payyazhi, 2014; Vakola, 1999) and project success. Shipyard employees perceived BPR key elements as "hard part" to adopt when it radically changes their working environment and work habits. The negative perception towards BPR key elements must be overcome prior to deployment of BPR project to eliminate any unnecessary challenges ahead especially dealing with unnecessary resistance to change from employees (Amrita & Sheriff, 2016; Eby et al., 2000; Mutua, 2013; Vithessonthi, 2005) and increase successful rate of BPR process.

The Shipyard are one of the local shipyard in Malaysia that heavily support shipbuilding/ship repair industries in achieving its industrial objective (Sulaiman et al., 2017; Zainal et al., 2013; Zainal et al., 2016). To continuously survive in challenging Shipbuilding/Ship repair industry, Shipyard must respond to all the complaints made by its stake holders, and one of it was delay in project disbursement process which took longer time to complete (Ismail & Osman, 2016), which was complaint by

Shipyard subcontractors. At the first time to introduce the BPR method to the employees, the fear of BPR start to take place within Shipyard employee's perception. The hard part of BPR key elements which are radical change, clean slate process, and top down approach stimulate negative perception among Shipyard employees towards the incoming BPR approach and overcome the future benefits of BPR output which yet to materialize.

Overcoming the hard part of BPR are essential prior to BPR deployment to avoid any resistance from employee's that might delay the progress of the BPR project, and increase its successful rate. The negative perception must be neutralizing and overturn to be positive and stimulate it together to push for BPR change effort faster. This research will explore the possible way to overturn the employee's negative perception towards BPR implementation using Shipyard BPR key CSF's while revamping project disbursement process flow.

## 2. Literature Review

Vithessonthi (2005) shared the definition of perception by Berelson and Steiner, 1964 as "a complex process by which people select, organize, and interpret sensory stimulation into a meaningful and coherent picture of the world" and by Barber and Legge, 1976 as "is about receiving, selecting, acquiring, transforming and organizing the information supplied by our senses". Mutua, (2013) used definition of perception by Robbins, 2004 as "a process by which individuals organize and interpret their sensory impressions in order to give meaning to their environment". In general terms, employee's perception in Shipyard can be understood as what employees see and feels what might happened and going to happened in their work environment and how they react or going to react towards it. BPR key elements in terms of radical change, clean slate process, and top down approach has big impact which going to change current job

practices, working process, and working environment in Shipyard and influence perceptions of employees about it.

BPR radical change stressing on large goal, dramatic improvements and not incremental or marginal improvement. Since its radical, the effect and impact mostly harsh and hard. It seeks continuous deep details plan and understanding towards BPR requirement from appreciating the condition of problem exist in current state, the requirement to change, why the change is needed and continuous support from beginning, to sustaining the change effort. These types of effort required involvement from the most loyal and trusted employees (Habib, 2013) or leader from Shipyard to lead the change internally which are very difficult to get due to high employees turnover rate within the industries (Weerakkody et al., 2011). Failing to identify appropriate leader to lead the initiative may results in many human related factors neglected such as though and feeling from Shipyard employee's being ignored and cause negative perception among employees concerned.

Senior and old employees might have perception that radical change will change their work practices and protected their interest of fear to BPR, by blocking new views or ideas to change from other employees (Amanquah & Adjei, 2013). Employees fears to BPR impact is common during change program and must be overcome positively by relaying continuous positive impact of incoming BPR project. Radical change embedded with high risk high return strategy and cannot being adopted in piecemeal or small steps. It requires attached vision to Shipyard bigger plan such as transformation agenda to be implemented together, and in line with its objective, i.e. survival of the Shipyard (Mohapatra, 2013). Employees perceived radical change as wasted of money spending on new infrastructure, hiring a consultant to assist the change program and find it difficult to accept and follow.

Sometimes, the approach of radical being neutralized with incremental or continues change to protected the stability within organization which give the different meaning of "radical" it self (Kassahun, 2012) and make it difficult to radically change it. Employee perceived this as normal effort done in their organization and treated it lightly. Employees, especially in public organization view radical change as difficult to adopt. Its require high risk of investment in IT-based system, fully integrated approach are required and need to be learned, multi-faced and complex, and being influence by high failure rate of BPR itself (Dubey & Bansal, 2013; Weerakkody et al., 2011).

Clean slate approach is defined as the change were radical, and the existing process were thrown away or ignored. At this juncture, employees view the clean slate approach purposely disregarded existing business process or organizational structure and no appreciation or acknowledgement on why it being established and practice before at the first place (Kuhil, 2013). This approached rejecting the contribution made by the employees to the organization before, and touch the sentimental value of the Shipyard as an organization. Clean slate is wedded with another harsh concept which is obliterate. Obliterate are difficult to implement as Shipyard already at its maturity stage and have gone through so many phases of investment in its infrastructure either hard or soft, to just thrown away earlier investment was hard to accept and deem huge wastages by most of the employees (Kuhil, 2013). Adoption of clean slate means adapting with radical approach which ignored the human aspects in business needs (Kassahun, 2012; Kuhil, 2013). Employee's perceptions towards clean slate approach relatively negative due to neglection of human aspect inside it.

BPR required cleared vision, intensive work, and vision driven which normally brought by top down approach concept. The change drive from top and expected to be amend and followed at the bottom. Top down approach need intensive and constant top management involvement and support (Bekeli, 2012). It cannot be treated as seasonal activities and just do it to fulfill organizational politics needs. Time driven and extraordinary expectation (Edward & Charles, 2013) push for potential human error, less detail on work preparation and ignoring views from employees involve in change thus neglect the human factors inside the implementation process. Employees normally force to follow what have being decided earlier rather than involved in discussion on what needs to be change (Kuhil, 2013).

Top management are committed with changes, but communications relay to the bottom always in one way and does not react or responds to the needs of change accordingly (Amanquah & Adjei, 2013). It will be more difficult when top management working at different location compared to place to implement the change, i.e. headquarters and operational places. Employees perceived top down approach as imposition by management and may reacts differently by creating unnecessary resistance to change (Amanquah & Adjei, 2013).

Radical change, clean slate process, and top down approach are BPR hard part which generate negative perceptions among Shipyard employees towards revamping project disbursement process. Negative perceptions must be neutralized and overcome to ensure no unnecessary resistance exist and increase successful rate of BPR project.

### 3. Methodology

This study was conducted using qualitative method with interactive Action Research Cycle to analyze the status of Shipyard employee's perceptions towards BPR implementation during revamping project disbursement process. The study was single longitudinal, and took thirty-eight months to complete. Collaboration between Shipyard cross functional department and relevant stake holders to the project disbursement process are established, and twelve interviewees are selected among the user of project disbursement process to analyze the perceptions of Shipyard employees at pre and post BPR implementation project. BPR hard part of radical change, clean slate process and top down approach are analyzed and discuss during the interview session. The interviews were done using semi-structured approach and guided with interview questionnaire relates to the employee's perceptions on BPR as per above. Each interview is audio recorded and took around twenty-five to thirty minutes each. The current state and desired state of Shipyard employee's perceptions towards BPR implementation are analyzed, and impact of Shipyard BPR key CSF towards neutralizing the negative perception are measured with low, medium, and high status.

### 4. Research Finding

Before the implementation of BPR, the status of employee's perceptions at Shipyard is established and indicate as per Table 1.1 below. The status of negative employee's perceptions is set at low, medium and high. High negative perceptions indicate criticality to overcome the status and reduce it to medium or low. Five criteria having high negative perception, two medium negative perception, and one low negative perception.

**Table 1:** Shipyard Employee's Perception at Current State

Perceptions	Employee's Negative Perceptions Status		
	High	Medium	Low
radical change			
radical change force the changes too extreme without detail discussions and planning		✓	
radical change required extreme changes in current job work scope.		✓	

radical change is difficult to implement at Shipyard current state	✓		
<b>clean slate process</b>			
clean slate ignored human related factors and Shipyard organizational values			✓
clean slate will force Shipyard to reinvest on new IT and thrown away the current system.	✓		
<b>top down approach</b>			
top down approach will force employees to follow what have being decided earlier.	✓		
top down approach ignored employee's feelings and thought.	✓		
top down approach is seasonal as top management don't have time to fully commit on Shipyard work processes and the effort will be short lived.	✓		

During revamping the project disbursement process, five Shipyard BPR key CSF's are identified and used while project progress. The Shipyard BPR key CSF's are effective top management support, effective communications, effective training, employee's involvement, and employee's empowerment. Most of the negative perceptions are due to uncertainties about work environment i.e. losing authorities, many colleagues leaving, required extensive new training; lack of communications i.e. middle managers did not communicate to bottom line, ineffective change agent; changes introduce too fast i.e. fast and fix solutions needed, too many new systems introduce.

Effective top management support is key to BPR planning. Top management support action and reaction will chart the overall perception from the employees about the BPR implementation. Top management become the change leader and allowed its first liner or most trusted manager to continue, manage, and monitor BPR progress. The most important rules played by top management here are to set the objective clearly for the project to achieved, let it runs and manage internally, and intervein effectively when required. Effective intervention is required when the project hit the stumbling block in managing conflict from cross-functional department, support on financial resources when it involves further monetary investment, and keep the win of change flow and alive with allowed and reasonable paces.

Effective communications are vital to relay the positive news and impact about BPR program. At first place, it will communicate what are the crisis or problem happening in current work practices and need revamping. It is a wake up call to the employees to get them ready for change. Employees feel complacent doing he some work with the same practices, and suddenly the habits need to radically change. Negative perception will happen when employees unable to see the benefits of change and feels what the Shipyard planning are waste of money and time. Effective communication will relay the steps by steps of BPR change program, requirement needed for new job scope, training plan for

the employees, status and impact of the BPR change program, and most importantly benefits of change program to the employee's, relevant stake holders, and the Shipyard.

Effective training fills the skill gaps among employees, created by new work scope compared to current work practices. Information System Department and Human Resource Department play and active role to chart and forecast new training required by effected employee's due to BPR change. For example, Shipyard Information System department able to manage and trained the training program inhouse without depending totally on system vendor. This indirectly manage to reduce training cost and frequent training can be organized at suitable time asked by employee's involved.

Employee's involvement neutralizing top down approach by getting the effected Shipyard employees involved together in designing states and completion of blue print of BPR project. Radical changes inside current job scope also reduce by way of frequent brainstorming and discussion with related cross-functional department involved, though process redundancy and manual system are remove and improve. This will ensure relevant work practices can be improve or upgraded, and new work practices need for new training can be identified and manage effectively.

Employee's empowerment indicate authority, accountability, and responsibility shared together with relevant respected employees involved. Empowerment fostering conducive working collaboration between cross-functional department and push for more involvement from relevant parties. When all get involved, meets, and discuss frequently, best practical solution to revamp project disbursement process will surface and can be followed by everybody.

Before the BPR project complete, another interview was conducted with the same interviewees and the results are highlighted in Table 2 below.

**Table 2:** Shipyard Employee's Perception at Desired State

Perceptions	Employee's Negative Perceptions Status		
	High	Medium	Low
<b>radical change</b>			
radical change force the changes too extreme without detail discussions and planning			✓
radical change required extreme changes in current job work scope.			✓
radical change is difficult to implement at Shipyard current state		✓	
<b>clean slate process</b>			
clean slate ignored human related factors and Shipyard organizational values			✓
clean slate will force Shipyard to reinvest on new IT and thrown away the current system.			✓
<b>top down approach</b>			
top down approach will force employees to follow what have being decided earlier.		✓	
top down approach ignored employee's feelings and thought.			✓
top down approach is seasonal as top management don't have time to fully commit on Shipyard work processes and the effort will be short lived.		✓	

Interacting with Shipyard BPR key CSF's i.e. effective top management support, effective communications, effective training, employee's involvement, and employee's empowerment help to neutralized employee's negative perception on BPR hard part in radical change, clean slate process, and top down approach. At desired state perceptions, three criteria at medium negativity state, and five at low negativity state.

## 5. Discussion and Conclusions

Managing employee's perception toward BPR implementation are crucial prior to deployment of the BPR project. Overturning the negative perception is essential to avoid any unnecessary resistance that might surface and given delay and increase the project cost. Inability to turn around the negative perceptions prior to BPR implementation will trigger the first step of employee's

resistance to change. The hard part of BPR implementation in terms of radical change, clean slate process, and top down approach can be neutralized using Shipyard BPR key CSF's i.e. effective top management support, effective communications, effective training, employee's involvement, and employee's empowerment. These Shipyard key CSF's have reduced negative restraining forces become positive driving forces.

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