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Research Article

EFFECT OF BUSINESS PROCESS REENGINEERING ON ORGANIZATIONAL PERFORMANCE. A STUDY OF SELECTED BANKS IN ANAMBRA STATE NIGERIA

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ABSTRACT

This study examines the effect of business process reengineering on organizational performance. The main objective of this study is to bridge the gap in the business processes and how to redesign the structure and management system to achieve improvement in organizational performance. The study employed both primary and secondary sources in generating the data for the study. The total population of the study was 1883, and the sample size was 330 using Taro Yamane's statistical tool. 330 copies of questionnaires were distributed, out of which, 304 were valid for the study. The statistical tool used for testing the hypotheses was t-test and correlation analysis. Major finding reveal that adoption of business process reengineering in redesigning structure of organization and management system through appropriate information technology improves organizational performance. The study therefore concludes that business process reengineering has the potentials to improve organizational performance and it recommends that, management should make reengineering efforts a top priority for any organization that seeks for improvement in their overall performance.

INTRODUCTION

The global economic environment has necessitated banks to enhance their professional capability by engaging in process change and reengineering that bring about efficiency, accuracy to meet customer's needs. In addition to these challenges, banks in Nigeria operate in a turbulent environment as there were stiff competitions within the banking sector. Surviving in this type of business environment becomes the main concern for the banking industry *(Eke and Achilike, 2014)*.

In recent years, business process reengineering (BPR), has become one of the most popular change management approaches which has attracted great attention from practitioners and academicians and has become a common place among companies in Nigeria. Business process reengineering is a management concept that seeks to split away from old fashion and traditional process to a new ways of organizing people, process and use of Information Technology to achieve better result that could be of immense benefit to business organizations.

Business process reengineering (BPR), is defined as the fundamental rethinking and radical redesign of business processes using information technology to bring about dramatic improvement in key areas of performance such as quality, cost, and speed *(Hammer and Champy, 1993)*.

Achineng, *(2014)*, notes that In an ever changing global economy, organization must find ways for operating by developing new competitiveness as the old advantages and competitiveness gained is quickly eroded owing to environment at changes. Business Process Reengineering is a vital and useful tool that has been adopted by organizations and has proved as one of the most current drivers of change within many organizations. It has allowed many failing and even successful organizations to re-invent themselves to achieve performance improvements and reposition themselves in a better place in their markets *(Graham, 2010)*. There is no doubt that reengineering in the present day global environment is not only a necessity but important as the prerequisite for success of any financial institution in Nigeria.

Organizational performance is the total economic results of the activities undertaken by any organization. The performance of any organization is a complex interrelationship between some performance criteria namely, effectiveness, efficiency, quality, productivity, quality of life, innovation and profitability. Business process reengineering promised a novel approach to

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corporate change, and was described by its inventors as fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical measures of performance such as costs quality service and speed *(Hammer, 1990).*

Business process reengineering is capable of redesigning the way jobs, roles and task responsibilities are structured, policies and decisions are made and the use of information technology to improve the business activities, to achieve reduced cost, improved quality, speed, customer service and satisfaction.*(Sungun, Ndunguru and Kimeme, 2013).* The advocates of BPR claimed that if the concept is correctly implemented, organization would achieve quantum leap of improvement in cost, speed, organizational performance and profitability *(Hammer and Champy, 1993).* The assumption of this study therefore, is that if organizations could properly adopt and implement Business Process Reengineering through information technology as an enabler to redesigning organizational structure and the management system, they are bound to have improvement in their performance.

Statement of the problem

Modern businesses are characterized by stiff competition as a result of increased demand and expectations of customers both locally and globally. To survive in this turbulent environment, business organizations have to adapt to changes in their operations. These have necessitated the banking sectors to enhance their professional capability by engaging in process reengineering that brings about efficiency and accuracy to meet customers' needs. These initiatives inevitably involve redesigns and alterations of the existing structure, management system and the use of information technology that supports the processes in order to improve organizational performance *(Okundi, 2013).*

Available literature on BPR studies shows that the opinion of scholars on the subject matter can be classified into two: The first group is the scholars that agree on BPR as a panacea to turbulent market changes, customer demand and competition *(Davenport and Short, 1990).* The second group is of opposite view claiming that BPR has failed to meet its expectations *(Ringim, Razalli and Hasnan, 2011).* However, a cursory look at the performance of some of the organizations indicates that some have failed because they adopted localized and incremental approaches in the implementation of the reengineering process and these have created extremely complex processes that contribute little to the overall effectiveness and efficiency. On the other hand, proper implementation of Business Process Reengineering empowers some organizations to achieve remarkable improvement in their performance. This study therefore seeks to examine how business process reengineering can be adopted to improve the structure and management system through information technology and the extent it has been implemented to achieve effective organizational performance in the banking industry.

Objectives of the study

The main objective of this study is to examine the effect of business process reengineering on organizational performance. The specific objectives include:

1. To find out whether redesigning of organizational structure affects organizational performance.
2. To determine whether management systems affects organizational performance.
3. To ascertain if there is a relationship between the adoption of information technology and organizational performance.

Research Questions

1. Has redesigning of organizational structure any significant effect on organizational performance.
2. Is there any significant relationship between the management system and organizational performance
3. To what extent does the adoption of information technology, affect organizational performance.

Research Hypotheses

Ho_1: There is no significant relationship between redesigning of organizational structure and organizational performance.

Ho_2: There is no significant relationship between management system and organizational performance.

Ho_3: There is no significant relationship between adoption of information technology, and organizational performance.

Review of Related Literature

In today's service dominated world, the foundations of any organization are the people and the processes. If people are adequately motivated to work hard, but the business processes are not good and remain as non-value adding activities, organizational performance will be poor *(Achineng, 2014).* A Process is the most important concept in reengineering. It is a collection of activities that take one or more input to create an output that is of value to the customers *(Davenport, 1993).* *Hammer and Champy (1993),* defined a process as a special ordering of work activities across time and space with a beginning and end, and clearly identified inputs and outputs and a structure for action. Business Process is a set of logically related task performed, to achieve a defined business outcome *(Davenport and Short, 1990).*

Business processes are characterized by three elements: the inputs, (data such as customer inquires), the processing of the data or materials (which usually go through several stages and may necessarily stop and turn out to be time and money consuming), and the outcome (the delivery of the expected results). The problematic part of the process is the processing. Business Process Reengineering mainly intervenes in the processing part, which is reengineered in order to become less time and money consuming *(Orugbu, Onyeizugbe and Onuzulike 2015).*

Reengineering approach in any organization is concerned with fundamental rethinking, process analysis, radical redesign and dramatic change. It is an attempt to change the way works are performed in process activity, which includes, the people's jobs and their reward system, the organizational structure and the roles process perform and the management system as well as the underlying corporate cultures which hold beliefs and values that influence every behavior and expectations. Reengineering

is a useful tool that has been adopted and hailed as one of the current major drivers of change within organizations *(Achieng, 2014)*. Reengineering is not about fine-tuning or managerial changes, rather it is for ambitious companies working to make substantial changes to achieve major performance improvement. *(Ringim, et al, 2013)*.

Business Process Reengineering

Business process reengineering is defined as a total transformation of a business, an unconstrained reshaping of all business processes, technologies and management systems as well as organizational structure and values to achieve quantum leep in performance throughout the business. It is the analysis and redesign of work flow within and between enterprises *(Hammer and Champy. 200).(Stoica, Clawat and Shin 2004)*, see business process reengineering as the evaluation and amendment of strategy, process, technology, organization and culture which involves plummeting organizational goals that are no longer valid and could not achieve result. It helps organization that is aggressive to stay on top or transform an organization that is in the verge of bankruptcy to become an effective competitor.

Business Process Reengineering entails reinventing processes by abolishing the old ones and finding imaginative ways of accomplishing work while designing completely and radically new processes *(Goksoy, Ozsoy and Vayvay, 2011)*. Effectively, BPR has risen as a solution for companies to improve their performance by assuring a higher quality of product and services at lower cost, larger added value and faster response time, thus increasing their efficiency and gaining competitive advantage in this permanently changing and developing world.

The definitions implicitly suggest that firms concentrate on processes rather than the function as the focus of the redesign and management of business activity. Thus, the outputs of business processes should not only achieve the company's objective, but also need to satisfy customer's requirements and expectations.

Business Process Reengineering and Organizational Structure

Organizational structure encompasses a list of the various job positions, tittles and duties in the organization and the reporting structure or chain of command among them. . Organizational restructuring eliminates barriers for smooth flow of information and materials along the supply chain. The smooth flow of information can be facilitated by the use of various Information and communication Technology to improve the integration of various functional areas to deliver quality services at a reduced cost and in a timely fashion.

Redesigning structure involves adopting less bureaucratic structures. Flexible and flatter organizational structure, through BPR encourages creativity and innovativeness in the organization. Employees feel as they have direct influence on the company. They feel committed to the organization which makes them more adaptable to change in working environment and conditions. On the contrary, in a vertical type of organizational structure, employees may become frustrated at their relative lack of influence at lower levels within the company which in turn make them antagonists. Having a less bureaucratic and more participative structure is essential for successful BPR implementation *(Rishipal, 2014)*.

Business Process Reengineering creates new procedures that define jobs and responsibilities across the existing organizational functions. The result is a clear need to create a new organizational structure which determines how BPR teams are grouped to work, how human resources are integrated and how new jobs and responsibilities are going to be formalized. Business restructuring includes the facility location, capacity, types of products, technology, people and changes in employees' behaviour which includes training, education, job enrichment, job enlargement and employee empowerment with a view to accomplishing, accommodating and facilitating radical change for achieving dramatic improvement in firm's performance (Pishdad, 2012).

Business Process Reengineering and Management System

One of the BPR success factors is quality management system. A reengineering leader is a senior executive who is authorized to motivate the overall reengineering efforts. The leader is the primary or key ingredient for reengineering to take place in organization. This is because reengineering succeeds when driven from the top most level of an organization. Top management, employee's commitment, effective communication, teamwork, and employee's empowerment are the important central success factors for BPR success in an organization *(Sturdy, 2010)*.

Top management commitment and support plays the most important role in the organization and determines the strategic direction of the organization. They should have adequate knowledge about BPR implementation and make important decision on how to motivate employees and have a friendly interaction with BPR team. Successful change begins with acquiring employees buy-in to the strategic plan and change process. *(Fakhraddin et.al 2013)*. There must be commitment to the project by the management of the organization and strong leadership must be provided to ensure compliance from the organizational members. *(Quangyen and Yezhaung, 2013)*.

Information Technology

Information technology is considered as the major enabler for spanning processes over functional and organizational boundaries and supporting process driven organizations. It is the most important driver of the competitiveness of a country's economy *(Eke and Achilike 2014)*.

Hammer (1990) considers Information Technology (IT) as the key factor in BPR for organization that wants to witness a radical change in its operation. He prescribes the use of Information technology to challenge the assumption inherent in the work processes that have existed since long before the advent of modern computer and communication technology. He argues that at the heart of reengineering is the notion of discontinuous thinking or recognizing and breaking away from the outdated rules and fundamental assumptions underlying operations.

Information technology (IT) is a strategic resource that facilitates major changes in competitive behavior, marketing and customer service. In essence, Information Technology enables a firm to achieve competitive advantages. Business

automation is the mechanization of business process in order to improve efficiency of the processes by using information and telecommunication technology (ICT). It allows the business to be conducted in different locations and permit quicker delivery to customers and support rapid service provision and paperless transactions *(Aremu and Saka, 2008)*

Information Technology and business process reengineering (BPR) have recursive relationship. IT capabilities should support business processes and business processes should be in terms of the capabilities IT can provide. *Davenport and Short, (1990)* refer to this broadened, recursive view of Information Technology and Business Process Reengineering as the new industrial reengineering process which represents a new approach to coordination across the firm. IT promises and its ultimate impact is to be the most powerful tool for reducing cost of coordination *(Davenport and Short, 1990)*. Information Technology can best enhance an organization's position by supporting a business strategy which would be clear and detailed. Information technology is considered as the major enabler for spanning processes over functional and organizational boundaries and supporting process driven organizations.

Information Technology changes business Processes in three ways; first is the organizational structure. Organizational hierarchies become flatter and the degree of centralized decision-making is conserved. Second, IT changes the workplace and permits changes to economic and functionality of the coordination process. It shrinks distance and relaxes time constraints to allow organizational members in different time, zones and locations to work together on the same tasks more conveniently. IT reduces the number of workers, as a result of automation in many business practices, such as supply chain management, order management, and customer service management *(Dube et.al, 2007)*.

Business Process Reengineering and Organizational Performance

Organizational performance can be measured by the extent to which an organization achieves appropriate objectives such as profitability, improvement in quality, services, speed, customer satisfaction, loyalty and good corporate image and market share *(Aregbeyen, 2011)*.

Organizational performance reflects an organizational understanding and knowledge regarding customer needs and expectations. Performance could be improved through good leadership practice and provision of customized services designed to serve customers in the service sector *(Razalli, 2008)*. This indicates that Business organizations can maximize their customer satisfaction for better profitability, increased volume of sales, which ultimately improves overall performance and benefits.

Business Process Reengineering is used by most firms to improve performance substantially on key processes that impact customers. BPR reduces costs and cycle time by eliminating unproductive activities and the employees who perform them. Reorganization by teams decreases the need for management layers, accelerated information flows and eliminates the errors and network caused by multiple hand-offs. Productivity is defined as the ratio of input to output for a specific production situation. Organizational performance changes can be caused by either improvement on best technology or changes in level of efficiency. *Hammer (1990)*, opined that the aim of business process reengineering is to redesign and achieve dramatic improvements in organizational performance. To him, business process reengineering uses the power of modern information technology to redesign business processes for better organizational performance.

The Banking Industry

Technological advancement have all combined to transform the structure of the banking industry via new products, more sophisticated customers, changing cost structures, and enhanced competitive pressures. Advances in information technology have also resulted in new database technology and data mining techniques that may expand the range of services that banks offer their customers. This technology allows firms to use customer information gathered in one part of their company, to increase sales in the others, and is one of the factors driving recent industry consolidation, *(Manukaji, 2012)*.

One of the primary goals of the financial service industry is to always enhance processes that would improve customer service performance through the management approach of cost reduction, improving quality and speed and customer service for profit maximization. In doing so, attempts were made to adopt approaches in the financial sector that have proven effectiveness in other industries, particularly those in manufacturing sector. One of these approaches is known as business process reengineering (BPR). It is a major management approach that focused on doing things in a better way that is clearer and easier to achieve a radical improvement on quality, speed, customer service and reduction in costs *(Kabiru, 2012)*. Business process reengineering has continuously improved organizational performance both in manufacturing sectors and service organizations. In Nigeria, the banking sector has in recent times witnessed tremendous reengineering processes notable among these reengineering processes is the recent directives by the central bank of Nigeria (CBN) on recapitalization. The banks have explored the opportunities provided by information technology (IT) to automate and improve on their services, by providing customer satisfaction, e-banking, ATMs, integrate branch network etc. *(Idris, 2011)*.

It is pointed out in the literature that simply using the latest technology on existing processes, procedures, is not a valid solution to the problem. Solutions are found in taking a step further to rethink, and question the business activities being fundamental for business processes. Effective redesign of business processes entails removing unnecessary activities and replacing archaic functional processes with cross functional activities, in combination with information technology as an enabler to bring about change that will lead to significant gain in speed, productivity, service quality and innovation.

The study by *Quasim, Sajiad and Lunair (2014)* indicated that business process reengineering has a strong positive effect on organizational performance. *Achieng, (2014)*, observed that Business process reengineering and organizational performance in the banking industry in Nairobi, is a useful weapon to any

corporate organization that is seeking to improve on the organizational performance. *Adeyemi and Aremu (2008)*, investigated Business Process Reengineering and organizational performance. Result indicates that BPR has become a useful weapon for any corporate organization that is seeking to improve their current organizational performance and also it helps to achieve cost leadership strategy in operating industry and environment.

Ozcelik (2010), investigated the implementation of business process reengineering and its effect on organizational performance. Using data obtained from fifteen large firms in United States of America it was observed that functionally focused BPR projects on average contribute more to performance than those with broader cross-functional scope. *Kabiru (2012)*, investigated the moderating factor of IT capability in relation to Business Process Reengineering and organizational performance. Analysis of data gathered from five hundred and sixty staff in service firms show that business process reengineering through management commitment has significant impact on overall organizational performance.

Research Design

Research design is the blue print or plan which determines the nature and scope of study carried out *(Nworgu 1991)*. Research design is a plan for research work or project. It provides guidelines which direct the researcher towards solving problems and may vary depending on the nature of the problems being studied *(Akuezuilo and Agu, 2007)*. In this study, survey research method was used to make academic inquiry in the search for new knowledge. The choice of the methods was to ensure comprehensive and reliable information.

Population of the Study

The population of the study consists of one thousand eight hundred and eighty-three (1883) staff including junior, middle and senior staff of the three selected Banks in Anambra State. The banks include; Zenith bank Plc, = 532, First Bank of Nig. Plc, = 845 and Diamond Bank Ltd, = 506 respectively, with a total of 1,883 staff.

Sample and Sampling Techniques

In determining the sample size, the *Taro Yamane's (1964)* formula for a finite population was applied as follows: n = N/1+N (e)^2. Where n = sample size, N = population, e = level of significance or (limit of tolerable error) 0.05 and 1 constant value. {n=__1883_____

$$1+1883(0.05)^2 = 330$$

A judgmental sampling technique was used in selecting the banks and simple proportion was used to distribute the questionnaire to the three (3) selected banks in major cities in Anambra State, they include; Zenith Bank Plc, First Bank Nig. Plc, and Diamond Bank Ltd.

Table 1 population and sample allocation

S/NO	Organization	Population	Sample allocation	Percent
1	Zenith Bank Plc	532	93	28.2
2	First Bank of Nigeria Plc	845	148	44.8
3	Diamond Bank Ltd	506	89	27.0
	TOTAL	**1883**	**330**	**100**

Source: Field Survey 2016

As can be seen from table 1, samples were allocated according to the staff strength of the selected banks. For example Zenith Bank Plc with staff strength of 532 got a total of 93 (28.2%) while First Bank of Nigeria Plc with a population of 845 was allocated 148 (44.8%).

Method of Data Collection

The primary data includes data obtained from the participants by administering questionnaire. The secondary data were sourced from unpublished thesis, publications in academic and professional journals, books, archives among others. The questionnaire was structured using five Point Likert-scales and was assigned weight accordingly.

Validity and Reliability

The instrument for data collection was validated both in face and content by the experts in the field of management. Concerning the reliability of the instrument, the test re-test techniques were used. 20 copies of the questionnaire were administered to some staff outside the study area to answer. After an interval of two weeks, another 20 copies of the questionnaire were administered the same question to some group of people and their responses were analyzed using spearman rank correlation coefficient statistical. The average reliability co-efficient is 0.90% which shows that the instrument was 90% reliable.

Method of data Analysis

The presentation is divided into two parts; the first part contains descriptive statistics while the second part contains test of hypotheses. A total number of 330 copies of the questionnaire were administered to the respondents out of which 304 were retrieved and judged to be valid for the study.
Data collected through questionnaire were analyzed using correlation analysis. Correlation was done using SPSS version 16. The correlation analysis lies between -1 and +1. If the correlation is positive, it means that the variables are in the same direction, while the negative correlation indicates that the variables move in the opposite directions. A zero correlation shows an indication of no relationship.

Correlation test is said to be significant if the p-value is less than 0.05, otherwise, we say that the test is non-significant. Correlation test could be positive or negative and yet the test could be significant or non-significant depending on the value of the p-value.

Presentation of Data and Analysis

In this section, the data generated in this study through primary sources were presented and analyzed through the application of appropriate statistical tools as stated in the methodology. The research question were answered and the hypotheses tested to ascertain their validity or otherwise.

Research question 1

Research question one is on redesigning of organizational structure and organizational performance. Accordingly, respondent's opinion was sought and the level of agreement or disagreement with the statements measured through the Likert scale. The result of data analysis for the research question is presented on table below.

Table 2 Respondents opinion on redesigning of organizational structure and organizational performance

S/No	Test Questions	Alternative Responses					
		SA	**A**	**UD**	**D**	**SD**	**TOTAL**
1	BPR is an organizational initiative that fundamentally re-examines and redesigns business processes in organization.	237 (77.9)	20 (6.6)	21 (6.9)	17 (5.6)	9 (3.0)	304 (100)
2	Organizational structure encompasses list of various job positions, tittles and duties in the business and the reporting structures among them.	236 (77.7)	21 (6.9)	18 (5.9)	19 (6.2)	10 (3.3)	304 (100)
3	Long and bureaucratic structure affects organizational performance.	215 (70.7)	20 (6.6)	43 (14.1)	17 (5.6)	9 (3.0)	304 (100)
4	A flexible and flattened organizational structure affects organizational performance	215 (70.8)	21 (6.9)	39 (12.8)	19 (6.2)	10 (3.3)	304 (100)
5	A well designed structure aims at improving organizational performance	221 (72.6)	33 (10.9)	24 (7.9)	17 (5.6)	9 (3.0)	304 (100)
6	A redesigned structure encourages human resources to integrate functional areas to achieve quality service delivery.	221 (72.7)	34 (11.2)	20 (6.6)	19 (6.2)	10 (3.3)	304 (100)
7	A redesigned structure encourages the smooth flow of information and resources to achieve effective performance.	204 (67.1)	29 (9.5)	45 (14.8)	17 (5.6)	9 (3.0)	304 (100)
8	A redesigned structure encourages employees' empowerment in organization.	203 (66.8)	31 (10.2)	41 (13.5)	19 (6.2)	10 (3.3)	304 (100)
9	A redesigned structure helps to facilitate radical change in organization.	228 (75.0)	30 (9.9)	21 (6.9)	17 (5.6)	8 (2.6)	304 (100)
10	A well redesigned structure helps to achieve improvement in organizational performance.	225 (74.0)	32 (10.5)	18 (5.9)	19 (6.2)	10 (3.3)	304 (100)
	TOTAL	220.5	27.1	29.0	18.0	9.4	3040
	%	72.5	8.9	9.6	5.9	3.1	100

Source: Output data, 2016

The analysis on Table 2 shows that on the average, 72.5% strongly agreed with all the statements of the items, 8.9% merely agreed, 5.9% disagreed, 3.1% strongly disagreed while 9.6% had no opinion on the issues raised. This shows that redesigning of organizational structure affects organizational performance.

The analysis on Table 2 shows that on the average, 69.0% strongly agreed with all the statements of the items, 9.0% merely agreed, 9.5% disagreed, 3.0% strongly disagreed while 9.5% had no opinion on the issues raised. This shows that effective management system affects organizational performance.

Table 3 Respondents opinion on redesigning of organizational structure and organizational performance.

S/No	Test questions	Alternative Responses					
		SA	**A**	**UD**	**D**	**SD**	**TOTAL**
1	The management system implements strategic plans that aims at addressing changes in the business process.	221 (72.7)	20 (6.6)	21 (6.9)	33 (10.9)	9 (3.0)	304 (100)
2	Reengineering projects succeeds when it driven from the top level management of an organization.	229 (75.3)	20 (6.6)	18 (5.9)	27 (8.9)	10 (3.3)	304 (100)
3	Management support and commitment is the primary key factor for BPR to succeed.	202 (66.4)	20 (6.6)	43 (14.1)	30 (9.9)	9 (3.0)	304 (100)
4	Lack of support and commitment increases employees' resistance to change which affects organizational performance.	207 (68.1)	20 (6.6)	39 (12.8)	28 (9.2)	10 (3.3)	304 (100)
5	Effective management system aim's at reducing employee's resistance to change in order to achieve effective performance.	213 (70.1)	33 (10.9)	24 (7.9)	25 (8.2)	9 (3.0)	304 (100)
6	An effective management system increases employee's commitment by empowering them.	211 (69.4)	34 (11.2)	20 (6.6)	29 (9.5)	10 (3.3)	304 (100)
7	A effective management system encourage effective communication among organizational members.	193 (63.5)	29 (9.5)	45 (14.8)	29 (9.2)	9 (3.0)	304 (100)
8	A effective management system encourages team work to improve organizational performance.	195 (64.1)	30 (9.9)	41 (13.5)	28 (9.2)	10 (3.3)	304 (100)
9	An effective management system encourages training and education of organizational members in their new jobs.	216 (71.1)	30 (9.9)	21 (6.9)	29 (9.5)	8 (2.6)	304 (100)
10	An effective management system provides adequate rewards to employees in organization to achieve effective performance.	212 (69.7)	32 (10.5)	18 (5.9)	32 (10.5)	10 (3.3)	304 (100)
	TOTAL	209.9	26.8	29.0	29.0	9.4	3040
	%	69.0	9.0	9.5	9.5	3.0	100

Source: Output data, 2016

The analysis on Table 2 shows that on the average, 72.5% strongly agreed with all the statements of the items, 8.9% merely agreed, 5.9% disagreed, 3.1% strongly disagreed while 9.6% had no opinion on the issues raised. This shows that redesigning of organizational structure affects organizational performance.

The analysis on Table 5 shows that on the average, 67% strongly agreed with all the statements of the items, 8.8% merely agreed, 9.4% disagreed, 5.3% strongly disagreed while 9.5% had no opinion on the issues raised. This shows that adoption of information technology affects organizational performance.

Table 4 Respondents opinion on Management system and organizational performance.

S/No	Test questions	Alternative Responses					
		SA	A	UD	D	SD	TOTAL
1	The management system implements strategic plans that aims at addressing changes in the business process.	221 (72.7)	20 (6.6)	21 (6.9)	33 (10.9)	9 (3.0)	304 (100)
2	Reengineering projects succeeds when it driven from the top level management of an organization.	229 (75.3)	20 (6.6)	18 (5.9)	27 (8.9)	10 (3.3)	304 (100)
3	Management support and commitment is the primary key factor for BPR to succeed.	202 (66.4)	20 (6.6)	43 (14.1)	30 (9.9)	9 (3.0)	304 (100)
4	Lack of support and commitment increases employees' resistance to change which affects organizational performance.	207 (68.1)	20 (6.6)	39 (12.8)	28 (9.2)	10 (3.3)	304 (100)
5	Effective management system aim's at reducing employee's resistance to change in order to achieve effective performance.	213 (70.1)	33 (10.9)	24 (7.9)	25 (8.2)	9 (3.0)	304 (100)
6	An effective management system increases employee's commitment by empowering them.	211 (69.4)	34 (11.2)	20 (6.6)	29 (9.5)	10 (3.3)	304 (100)
7	A effective management system encourage effective communication among organizational members.	193 (63.5)	29 (9.5)	45 (14.8)	29 (9.2)	9 (3.0)	304 (100)
8	A effective management system encourages team work to improve organizational performance.	195 (64.1)	30 (9.9)	41 (13.5)	28 (9.2)	10 (3.3)	304 (100)
9	An effective management system encourages training and education of organizational members in their new jobs.	216 (71.1)	30 (9.9)	21 (6.9)	29 (9.5)	8 (2.6)	304 (100)
10	An effective management system provides adequate rewards to employees in organization to achieve effective performance.	212 (69.7)	32 (10.5)	18 (5.9)	32 (10.5)	10 (3.3)	304 (100)
	TOTAL	209.9	26.8	29.0	29.0	9.4	3040
	%	69.0	9.0	9.5	9.5	3.0	100

Source: Field Survey, 2016

Table 5 Respondents opinion on Information Technology(IT) and organizational performance.

S/No	Test Questions	Alternative Responses					
		SA	A	UD	D	SD	TOTAL
1	Inefficient business process affects organizational performance.	211 (69.4)	20 (6.6)	21 (6.9)	33 (10.9)	19 (6.2)	304 (100)
2	Information Technology is an important enabler of business process reengineering..	222 (73.0)	20 (6.6)	18 (5.9)	27 (8.9)	17 (5.6)	304 (100)
3	Information technology helps banks to break away from outdated rules that underlie in their operations.	197 (63.8)	20 (6.6)	40 (14.1)	30 (9.9)	17 (5.6)	304 (100)
4	Information technology permits the distribution of power and control to achieve effective performance.	202 (66.5)	20 (6.6)	38 (12.8)	28 (9.2)	15 (4.9)	304 (100)
5	Adoption of modern information technology aims at improving organizational performance..	204 (67.1)	33 (10.9)	24 (7.9)	25 (8.2)	18 (5.9	304 (100)
6	Information technology can be used to reduce both time and cost of transactions to achieve efficiency in the business operations.	209 (68.8)	34 (11.2)	20 (6.6)	29 (9.5)	13 (3.9)	304 (100)
7	Information technology has the potentials to achieve the organization's overall goal.	186 (61.2)	29 (9.5)	45 (14.8)	28 (9.2)	16 (5.3)	304 (100)
8	Information technology helps the banking sector to automate their branch networks to improve customer services.	189 (62.1)	30 (9.9)	41 (13.5)	28 (9.2)	16 (5.3)	304 (100)
9	Information technology enables banks to render quick and quality services that could earn them competitive advantages.	210 (69.1)	30 (9.9)	21 (6.9)	29 (9.5)	14 (4.6)	304 (100)
10	Information technology helps to facilitate core services that aimed at customer satisfaction.	206 (67.8)	32 (10.5)	18 (5.9)	32 (10.5)	16 (5.3)	304 (100)
	TOTAL	203.6	26.8	28.6	28.9	16.1	3040
	%	67	8.8	9.4	9.5	5.3	100

Source: Field survey, 2016

Test of Hypotheses

Hypothesis 1

H_o There is no significant relationship between redesigning of organizational structure and organizational performance.

H_1 There is significant relationship between redesigning of organizational structure and organizational performance.

From the table 4 above, the correlation between organizational structure and bank performance is .826 which shows high positive relationship and the p-value is .003. Since the p-value of .003 is less than 0.05. we reject the null hypothesis and accept the alternate which states that redesigning of organizational structure positively affects organizational performance.

Table 6 Summary of Result

Mean Scores	1	2	3	4	5	6	7	8	9	10
Organizational Performance	4.5	4.49	4.36	4.35	4.45	4.43	4.32	4.30	4.49	4.45
Bank Performance	4.35	4.44	4.18	4.30	4.37	4.44	4.16	4.15	4.44	4.27

Table 7 Paired Samples Correlations

		N	Correlation	Sig.
Pair 1	Organizational structure and Bank Performance	10	.826	.003

Hypothesis Two: There is no significant relationship between the management system and organizational performance.

Table 8 Summary of Result

Mean Scores	1	2	3	4	5	6	7	8	9	10
Management System	4.35	4.41	4.23	4.26	4.36	4.33	4.21	4.22	4.37	4.32
Bank Performance	4.35	4.44	4.18	4.30	4.37	4.44	4.16	4.15	4.44	4.27

Table 9 Paired samples correlations

	N	Correlation	Sig.
Management system & organizational Performance	10	.910	.000

Source: Output data, 2016.

From Table 5 above, the correlation between Management system and bank performance is .910 which shows high positive relationship and the p-value is .000. Since the p-value of .000 is less than 0.05, we reject the null hypothesis and accept the alternate which states that effective management system positively affects organizational performance.

Hypothesis Three: There is no significant relationship between adoption of information technology and organizational performance.

Table 10 Summary of Result

Mean Scores	1	2	3	4	5	6	7	8	9	10
Management System	4.22	4.32	4.13	4.20	4.25	4.31	4.12	4.14	4.29	4.25
Bank Performance	4.35	4.44	4.18	4.30	4.37	4.44	4.16	4.15	4.44	4.27

Source: Output data, 2016.

Table 11 Paired samples correlations

		N	Correlation	Sig.
Pair 1	Information technology & Performance	10	.946	.000

Source: Output data, 2016.

From Table 6 above, the correlation between Information Technology and bank performance is .946 which shows high positive relationship and the p-value is .000 which is less than 0.05. We therefore reject the null hypothesis and accept the alternate which states that adoption of Information technology positively affects organizational performance.

Summary of Findings, Conclusion and Recommendations

Summary of Findings

From the analysis of the data, findings indicate that organization structure; management system and information technology positively affects organizational performance. It also shows that business process reengineering (BPR) has the capability to bring flexibility in the structure, effective leadership style in the management system and through the adoption of information technology as an enabler to achieve improvement in organizational performance.

Similarly, all the question items which lead to finding improvement in the organizational structure have positive responses which show that there is a positive relationship between redesigning of organizational structure and the level of performance in the banking sector performance.

Another finding also reveals that effective management system affects organizational performance positively. This was achieved through positive responses on effective leadership style that support and encourage employees' commitment to reengineering processes which aims at improving organizational performance.

Finally, the finding also reveals that adoption of appropriate information technology improves organizational performance in the banking sector. Many banks achieved improvement in their performance through the adoption of information technology to automate the processes which leads to reduction in time, cost of transaction and quality services to their customers.

CONCLUSION

The objective of this study is to examine the effect of business process reengineering on organizational performance.

The result of all the correlation analysis shows that business process reengineering has the potentials to improve organizational performance through proper redesigning of structure, effective management system and the adoption of information technology as an enabler.

However, hypothesis one clearly showed that redesigning of organizational structure to become more flexible in the banking sectors helps to address the changes in the business operations.. This confirms that when banks redesigned their structure and adopts a more flexible and flatter structure it will encourage creativity and innovation to enhance their performance. This is in line with the views of Ozcelik, (2010), when he states that functionally focused BPR projects on average contribute more to performance then those with broader cross-functional scope.

The result of hypothesis two clearly indicates that there is significance relationship between management system and bank performance. Many banks have witnessed the importance of adopting effective management system that supports reengineering efforts and ensuring commitment of the organizational members towards improving organizational performance. This is in line with the view of Kabiru (2012), when he states that business process reengineering through management commitment has significantly impacted on overall organizational performance.

The result of hypothesis three clearly shows that there is significant relationship between adoption of appropriate information technology and bank performance. The adoption of modern information technology in the banking industry to automate their process has really improved their business operations. It has helped to provide quick and efficient services to the customers. This is in line with the views of Quasim,

Sajiad and Lunair (2014), when they state that IT capabilities play a significant role in Business process reengineering which ultimately enhance organizational performance

Recommendations

From the findings and conclusions of this study, through the correlation analysis, the following recommendations were made:

1. Reengineering processes in any organization should be made top priority for any organization that seeks for improvement in their overall performance.
2. Management should adopt a more flexible and flatter structure that encourages creativity and innovation to achieve effective performance.
3. Management should adopt a strong and effective leadership style that encourages the support and commitment of the organizational members.
4. Management should provide adequate rewards and benefits that could increase employee's morale to embraces changes in their job responsibilities.
5. Proper education and training of the organizational members could go a long way to encourage employees to accept changes in the new technologies.
6. Finally, management should encourage effective communication and team work to reduce employee's resistance to change to barest minimum.

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