

Impact of Quality of Work life on Business Process Re-engineering: Developing and Proposing a Conceptual Model

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Abstract

Quality of work life has a lot of impact on Business Process Re-engineering (**BPR**). Three important aspects discussed in the study are the quality of work life, the performance management and job satisfaction, and BPR. Quality of work life (**QWL**) leads to performance management and job satisfaction which in turn affect the BPR. BPR is a dependent variable which depends on quality of work life: the independent variable.

Keywords: Quality of work life, Performance Management, Job Satisfaction, Creativity, Innovation, Quality, Business Process Re-engineering.

1. Introduction

50-70 per cent of the BPR initiatives fail to deliver the expected results (Hall et al., 1993). The major part is played by the quality of work life. The researcher has carried out an extensive study on the subject with a view to determine the impact of quality of work life on business process re-engineering. When the employees get better quality of life based on fair compensation, equitable training and development opportunities, job safety and appreciable job environment, they are likely to enjoy ease of mind, more concentration and organizational commitment which enhance performance management and job satisfaction. Increased performance management and job satisfaction will inculcate creativity, innovation and all these aspects will lead towards business process re-engineering.

Organizational structure must enable BPR based on creativity and innovativeness encouraging less bureaucratic layers within the organization, and promoting participation and empowerment in the organization. However, since “innovativeness” is essential for BPR to happen successfully, McAdam (2003) suggested that to encourage innovativeness, the organizations should have a lean bureaucratic structure.

Project management is important in order to plan and manage the BPR which is proposed to be implemented (Al-Mashari and Zairi, 1999; Burlton, 2001). Personal commitment from leaders and managers, employees and team members is needed to make BPR projects achieve their targets. In the Organizational Development (**OD**) perspective, researchers such as Huber and Glick (1995), Bechtel and Squires (2001) and Senior (2002) highlighted that training and development were important for long-term benefit, and they become crucial when radical BPR is involved.

2. Literature Review

Many studies focused on implementing BPR such as Porsche Research and Development Centre's (Zinster et al., 1998) but less focus was given on the impact of Quality of work life on BPR. Some literature highlighted the importance of leadership and top management on BPR (Davenport 1993), however impact of quality of work life was not analyzed in required detail. Ascari et al. (1995) have discussed four other elements leading to successful BPR:

- (1) Culture (which is similar to Hall et al., 1993; Peppard and Fitzgerald, 1997);
- (2) Processes;
- (3) Structure; and
- (4) Technology.

Another research, carried out by Ranganathan and Dhaliwal (2001), showed the result of BPR practices in Singapore. They concluded that BPR was becoming important in Singapore for the future in order to survive in the face of tight competition and changing environment. Human factors could become one of the obstacles for the change to happen. Stoddard et al. (1996) and Peppard and Fitzgerald (1997) highlighted that human resistance to BPR could cause BPR projects to fail. If the change is not handled and managed carefully, people would resist it even if it is a top-down

approach, i.e. driven from the top.

Beside the success factors, many authors also highlighted some failure factors in implementing BPR. Aggarwal (1998) highlighted failures of BPR implementation, which were related to managers' arrogance, resistance, crisis, cost, vision, etc. Hammer and Champy (1993) highlighted some failure factors like failure to have a process perspective, a fixed process which is not flexible enough to be responsive to the needs and requirements, not involving employees (i.e. bottom-up) in decision making, assigning someone who does not understand BPR, technology limitations, designing a project but with focus on cost reduction and downsizing, having a weak team, and problems with communication.

Furthermore, Singapore businesses reported that the lack of financial and human resources, and inadequate IT capabilities and expertise posed the main problems in carrying out their programs. Other factors were the lack of support from organization members, lack of strategic vision, inflexible organizational structure, and lack of champion for BPR efforts (Aggarwal, 1998; Ranganathan and Dhaliwal, 2001). Therefore, the researcher has identified a number of gaps in the body of knowledge and accordingly has come up with new strategy for successful BPR. This study stress that reengineering is supposed to start with a new vision, new mission and new customers.

3. Problem Statement

Quality of work life has a lot of impact on BPR which has been ignored. There is thus a requirement to carry out study of this important aspect. BPR is dependent variable which depends on quality of work life being the independent variable.

4. Knowledge Gap/Originality of Research

The impact of quality of work life on business process re-engineering, has not yet been explored by any researcher. There is thus a visible gap in the body of knowledge which present researcher has endeavored to fill in.

5. Model Elaboration

Model elaboration is carried out keeping in view various aspects. Quality of work life includes Employees empowerment, career progression, training and development, fair compensation, work environment and job security. Improved quality of work life results in ease of mind, employees' commitment and improves concentration which would have positive impact on performance management and employees job satisfaction. Improved performance management and job satisfaction contribute positively towards the improved quality which is primarily due to creativity and innovation. This all has positive correlation and positive impact on business process re-engineering.

6. Results and Discussions

The proposed model analyses the impact of quality of work life on the Business Process Re-Engineering. **QWL** has six dimensions which affect the overall standards. Positive values enhance the quality of work life while negative value decreases the quality of work life. This model further studies the relationship between BPR and the quality of work life. From the model it is evident that the quality of work life will lead to performance management and job satisfaction which will give an impetus to innovation, creativity and quality; the three integral components of a successful BPR operation in any organization or work environment.

Fair compensation has a direct bearing on the quality of work life. Fair compensation increases employee satisfaction and motivates his actions. Nature of work and the prevailing compensation packages in the market are indicative of the fairness of the offered compensation to an employee.

Career progression is desired by every employee. If a job is stagnant and there is no future prospects attached to that job nor there is a planned progression then an employee loses interest in the job. Apart from reduction in job productivity, the employee's quality of work life also suffers thus adding a negative value to QWL and hence a proportionate negative effect on the BPR. Employee Empowerment and the delegation of responsibility further allude to this debate. Delegation not only lessons the burden on the delegate but also increases the motivation of the employee as it enhances the level of trust. Training and Development of the employee adds to the overall score of QWL thus investing on the employee increases the productivity and adds value to the human resource.

Job security reduces the uncertainty pertaining to the job and an employee feels more confident to take decision. A sense of empowerment is developed in the employee. The employee can perform better if the job is secure and a fair

and just process is in place to safeguard the interest of the employee as well as the employer. A congenial workplace environment plays an invisible role in QWL. If a person is facilitated in terms of work place environ then it has a positive impact on the QWL

From the above debate, it can be assumed that the increase in the values of these dimensions will enhance the QWL thus in turn impacting the ease of mind, increasing the commitment of the employee of towards the work productivity and availability during critical junctures and increasing the concentration towards work free from QWL related worries like negative factors impacting the fairness of compensation, carrier progression, job security, training and development, empowerment and work place environment.

This will increase the job satisfaction of the employee and will make it easier to manage the performance of employee thus giving rise to innovation, creativity and quality- the three factors which are inherent in any BPR project and are necessary for the success of a radical change implemented by the organization.

7. Analysis

BPR has a relationship with QWL .For the success of any BPR, employees play an important part. In order to obtain better results, the employees must have a QWL which is dependent on the factors discussed in the preceding lines. For BPR, creativity, innovation and quality must be present. These can be generated through enhancing the QWL of the employees. Therefore, for introducing any radical change in the system, a change management strategy must be introduced. This change is easier to introduce in the presence of strong quality of work life.

8. Recommendations

It is recommended that the Human Resource of an organization must be managed in a way that all the six dimensions of QWL are incorporated in the job and in the event of BPR; the QWL must be analyzed to see that whether the existing QWL will sustain and throttle the proposed change or be an impediment to change. In case the existing QWL is not able to sustain the BPR envisaged change, then steps must be taken to increase QWL among the employees and then introduce the change so as to enhance its acceptability among the participating employees and increase the probability of success.

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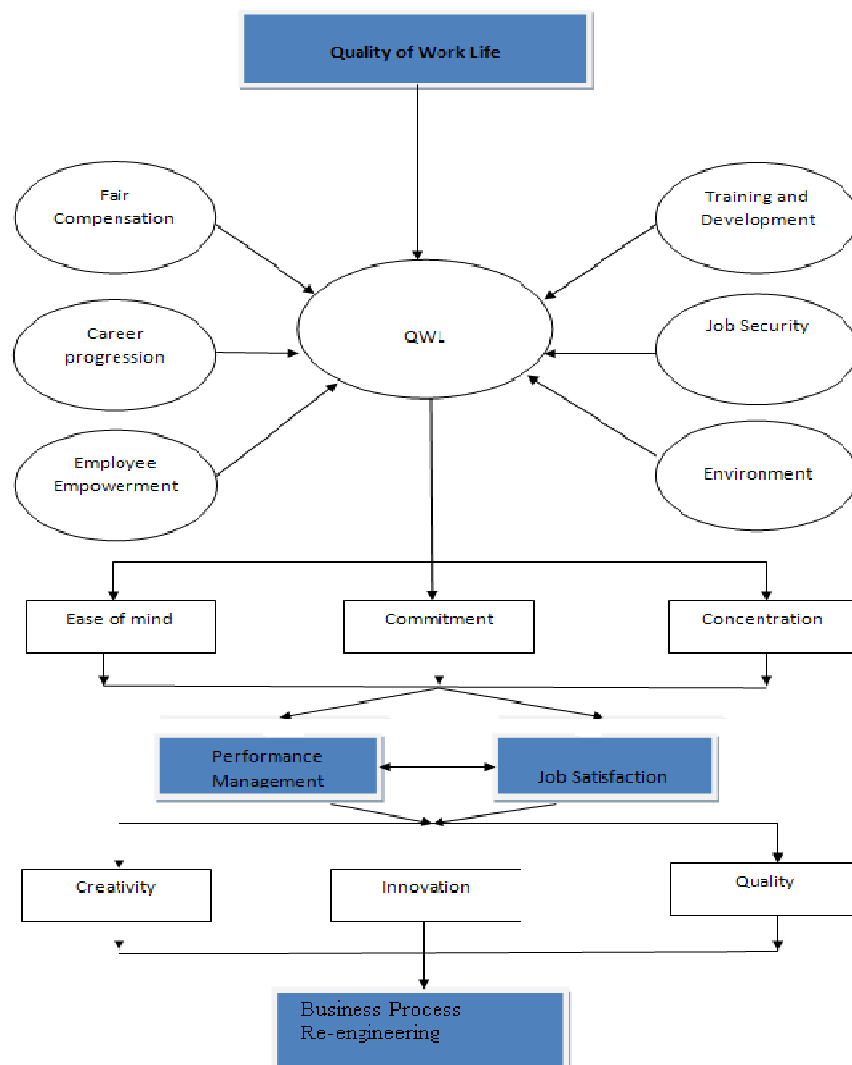


Figure 1: Model illustrating the relationship between QWL and the BPR