INDRA GANDHI NATIONAL OPEN UNIVERSITY SCHOOL OF SOCIAL SCIENCE MPA PROGRAM

THE EFFECT OF BUSINESS PROCESS REENGINEERING (BPR) ON CUSTOMERS PERCEPTION OF SERVICE EFFICIENCY, RESPONSIVENESS, EFFECTIVENESS AND EQUITY IN COMMERCIAL BANK OF ETHIOPIA: THE CASE OF SELECTED BRANCHES IN ADDIS ABABA

A THESIS PROPOSAL SUBMITTED IN PARTIAL FULFILLMENT OF MASTERS DEGREE IN PUBLIC ADMINISTRATION (MPA)

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The Effect of Business Process Reengineering (BPR) on Customers' Perception of Service Efficiency, Effectiveness, Responsiveness and Equity in Commercial Bank of Ethiopia the Case of Selected Branches in Addis Ababa.

A Thesis Proposal submitted in partial fulfilment of Master's Degree in Public Administration (MPA).

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Contents

CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

In today's ever-changing world, the only thing that doesn't change is 'change' itself. In a world increasingly driven by the three Cs (Customer, Competition and Change) companies are on the lookout for new solutions for their business problems (Hammer and Champy, 1993). Faced with intensified competition, ever changing customer requirements and increased new environmental regulations, business organizations need to make drastic changes for future success and economic survival by looking for new management approaches and techniques.

Since the 1990's and the late eighties, particularly the service industries have experienced unprecedented substantial changes. Consequently, organizations are forced to develop new customer-oriented processes and to redesign existing ones (Heckel and Moormann, 2007). Many studies have been done and showed that the business world has become aware of the potential of re-engineering in planning and designing processes and organizations based on the principles of business process re-engineering (Kuwaiti and Kay, 2000).

It has been commonly agreed that Business process re-engineering (BPR) first became known in the late 1980s and developed into one of the important management concepts discussed by organizations and by the mid-1990s attracted strategic management or senior managers (Rigby, 2001). The concept of BPR has attracted academic and industrial attention in the 1990s mainly as a result of two papers by Michael Hammer (on reengineering, see Hammer, 1990) and Thomas Davenport (on business process redesign, see Davenport and Short, 1990).

Since 1994, the government of Ethiopia has embarked on reforming its civil service organizations with the objective of improving the public sector service delivery system. The government sponsored a lot of management training programs to enhance the capacities of civil service employees and to implement *Result Based Performance Management System* in all of its civil service organizations. Though this brought some improvements in the performance of some civil service organizations, the effort required was too much as

compared to the benefits obtained. Since 2004, the government has also endorsed Business Process Reengineering (BPR) as a foundation for strengthening Result Based Performance Management System in the Civil Service.

BPR has been implemented in both service and manufacturing firms in different countries around the world (Shin and Jemella, 2002). Successful implementation of BPR brings many benefits to the organization and it increases customer satisfaction, increased productivity, higher flexibility, increased employees and improved coordination, and improved competitive advantage are the main benefits of successful BPR implementation. BPR helps organizations to achieve new heights of success by dramatically changing existing business processes (Holland and Kumar, 1995).

A study conducted in 2009 in Ethiopian civil service organizations concludes 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 foreseeable future to come. In addition to this, a study conducted by Michael E.milakovich indicted that although a great deal of progress has been made since the reinvention era began nearly a decade ago, many governments still need to be encouraged to respond to multiple citizen-customer demands.

Furthermore, a study conducted on business process reengineering and organizational performance in 2014 in the banking sector in Ethiopia reveals that there is significant reduction in service delivery time, however; still challenges exist on providing the service consistently due to different reasons. As far as the researcher's knowledge is concerned studies conducted have tried to indicate the performance of the bank in specific manner and comprehensive assessments were not conducted on customers' perception of the banks responsiveness, efficiency, effectiveness and equitable service for all customers. Hence the purpose of this study is to assess the relationship between customer's perception on service efficiency, responsiveness, equity and effectiveness and the practice of business process reengineering (BPR).

1.2.   Statements of the Problem

According to, Hammer and Champy, (1993) the reengineering of business processes is concerned with fundamentally rethinking and redesigning business processes to obtain dramatic and sustaining improvements in quality, cost, service, lead-times, outcomes, flexibility and innovation which guarantee the performance of the organization in the world of competition that is why reengineering has become a fairly accepted approach today in the reform efforts of any organizations. On the contrary, other holds the opposing view claiming that BPR has failed to meet its expectations (Mumford, 1995; Biazzo, 2002). According to Al-Mashari, Irani and Zairi (2001) the average success rate achievement of implementing BPR in developed countries was 55 percent, being 61 percent achieved in the USA and 49 percent in Europe. The majority of studies on BPR have focused on the importance of the various factors for successful implementation in the manufacturing industry, while relatively few studies have been conducted in the banking industry. Therefore, it is risky to generalize the BPR success rate, because the evaluation is subjective as cross national differences (such as cultural belief, norms and values) may exist. Reengineering is a painful process because the whole set of values and beliefs in the organization are being challenged (Hammer & Champy 1993). Similarly, even though improvements are observed on customer satisfaction in speed of service provision, researches show that the banks have challenges in providing its all rounded service consistently. As per the researcher's personal observation, it is also witnessed that customers are complaining about the service rendered by the Commercial Bank of Ethiopia specially in connection with network issues when the power fail despite the implementation of the new initiative, BPR . Therefore, it makes sense to conduct a study on Business Process Reengineering (BPR) and Customers Perception of Service Efficiency, Responsiveness, Equity and Effectiveness in commercial bank of Ethiopia in a comprehensive manner.

1.3.   Basic Research Questions

1) Do customers perceive that Business Process Reengineering has brought efficiency and effectiveness?
2) What is the perception of customers on the responsiveness of the organization for the queries of customers?
3) Do customers perceive that they are getting equitable treatment?

1.4. Objectives of the Study

1.4.1. General Objective

The general objective of this study is to assess the relationship between customer's perception on service efficiency, responsiveness, equity and effectiveness and the practice of business process reengineering (BPR).

1.4.2. Specific Objectives

- To describe the impact of the BPR practice on responsiveness to customers concern.
- To describe the impact of the BPR practice on the efficiency of services in the aforementioned organization.
- Describe the perception of customers on the organizations' responsiveness for their concern
- Explain customers' perception on equitable service provision after the implementation of the BPR.

1.5. Definition of Terms

1.5.1. Conceptual Definition of Terms

Responsiveness: the extent to which public service agencies demonstrates receptivity to the views, complaints and suggestions of service users, by bringing about and implementing changes to its own structure, culture and service delivery patterns in order in deliver a more appropriate product or service(public system management 2008)

Customers' perception: customer's impression, awareness and/or consciousness about a company or its offerings.

Efficiency: performing or functioning in the best possible manner with the leastwaste of time and effort; having and using requisite knowledge, skill, and industry; competent; capable:

Equity: refers to how well public organizations are able to tailor service provision to meet the needs of the diverse groups of citizens that they serve.

Effectiveness: The degrees to which objectives are achieved and the extent to which targeted problems are solved. In contrast to efficiency, effectiveness is determined without reference to costs and, whereas efficiency means doing the thing right, effectiveness means doing the right thing.

1.5.2. Operational Definition of Terms

Efficiency To gauge customers' perceptions of the efficiency with which services are provided by the bank we draw upon a survey measure, which captures the extent to which service users are content with the price/quality ratio of the services that they receive, and so closely mirrors the classic definition of technical efficiency as a ratio of outputs over inputs.

Responsiveness The responsiveness of the bank will be tapped by utilising a survey question asking informants whether they had been treated with respect and at most consideration this includes how well local banks are meeting the personal expectations of service users.

Equity refers to how well public banks are able to tailor service provision to meet the needs of the diverse groups of customers that they serve

Effectiveness Customers' perceptions of the overall effectiveness of Commercial Bank of Ethiopia's service as measured by a Survey question which asked respondents how satisfied they are with the way that the bank deliver service to customers.

1.6. Significance of the Study

The study is significant to give feedback to employees, employers, other stakeholders and researchers about the organizations level of responsiveness, equity in service delivery and its efficiency and effectiveness.

The study is significant to the stakeholders in its provision of information about level of employee's motivation. If the level of motivation among employees is high the quality of service and level of responsiveness to their clients will be high and if the motivation of employee is very low the level of provision of service and responsiveness will be low. Additionally, the study also helps researchers in provision of information as secondary data for future use in the academic arena.

1.7. Delimitation/Scope of the Study

It will be much better and exhaustive for the study if there is a chance of accommodating more branches. However, to make the study manageable and to evaluate the problem in detail, the researcher is forced to delimit the study to the case of five busiest branches located in Addis Ababa. The study will focuses on customers of the selected branches in Addis Ababa and will be completed before January, 2015. In addition to this, interview will be held with managers of selected branches.

1.8. Limitation of the Study

Potential limitation for this study is participants may not want to be involved in this study. The other limitation is the potential for the data collection instrument not to be totally valid and reliable. All considerations and precautions will be taken in to account to provide the most valid and reliable data collection instrument for this study.

1.9. Organization of the Research Report

The remaining part of this study will include literature review, methodology to be employed, data analysis and interpretations, the findings, conclusions and recommendations.

The second chapter deals with a review of related literatures with detail theoretical concepts, empirical studies that will highlight the most important studies conducted on the areas of Business Process Reengineering and conceptual frame work which will be used as a base to conduct the study.

Chapter three will describes research methodology used in this study; it describes the study area, research design, target population, sampling techniques. It also represents details of instruments used for collecting data, and statistical method applied.

Forth chapter discusses detail of data analysis and interpretation. In this chapter demographic characteristic of respondents; data analysis result presented using descriptive statistics such as frequency distribution and percentage. In addition to this, inferential statistics will be considered to draw relationship between dependent and independent variables. Detail discussions of the findings will also include in the final parts of the chapter. The last chapter includes summary of findings, conclusion drawn and implications for practice.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1. Theoretical Review

2.1.1. Business Process Reengineering

Business process reengineering (BPR) is one of the top five issues of concern for IT executives in 2010 (Luftman and Ben-Zvi, 2009). BPR is also beginning to be embraced by public sector organizations of many countries to reform the traditional function-based bureaucratic system with result and customer-oriented process based system (Ongaro, 2004; Thong et al., 2000). Accordingly, there are now many cases of BPR adoption and implementation in the public sector in general (Sia and Neo, 2008) and public sector of developing economies (DEs) in particular (Mengesha and Common, 2007; Tarokh et al., 2008). The value of BPR can be seen at both process such as cost and time reduction (Grover *et al.,* 1995) and overall organizational performance such as productivity, profitability and market advantages (Ozcelik, 2009) levels.

Most organizations that have undertaken BPR can improve their business processes performance. However, achieving order of magnitude improvements that go beyond process level benefits and that impact overall organizational performance depend not only on reengineering business processes per se but also on creating a set of BPR complementary skills, systems and technologies. These set of skills, systems and technologies are necessary to institutionalize and reinforce the redesigned business processes post-BPR implementation (Ozcelik, 2009). This implies that the degree of investment and change made to BPR complimentary organizational skills, systems and technologies is as important as the process change itself. We refer to such skills, systems and technologies as 'BPR Complimentary Competences (BPRCC)'.

According to Stoddard and Jarvenpea (1995) Business Process are simply a set of activities that transformed a set of inputs into a set of outputs (goods or services) for another person or process using people and equipment. Business process entails set of logically related tasks performed to achieve a defined business output or outcome. It involves a wide spectrum of

activities procurement, order fulfilment, product development, customer service and sale (Sharma 2006). Thus, Business Process Re-engineering becomes an offshoot of Business Process. Hammer and Champy (1993) argued that the fundamental reconsideration and radical redesign of organizational process in order to achieve drastic improvement of current performance in cost, service and speed enjoys a fair measure of consensus. One can then assume that Business Process Re-engineering connotes the analysis and design of workflows and processes within and between organizations (Davenport and Short 1990).

Sharma (2006) posited that business process re-engineering implies transformed processes that together form a component of a larger system aimed at enabling organization to empower themselves with contemporary technologies business solution and innovations. Organizational effective performance has become a watchword in modern business; as a result there is inexorable pressure for Business Process Re-engineering. These questions necessitate venturing of Business Process Re-engineering into the overall strategy for sustained competition advantage, check costs, and differentiate products and effective price management with greater intensity and then flawless execution. At this juncture, it is pertinent to ask what Business Process is and as well as Business Process Re-engineering. Business processes are characterized by three elements: the inputs, (data such customer inquiries or materials), the processing of the data or materials (which usually go through several stages and may necessary stops that turn out to be time and money consuming), and the outcome (the delivery of the expected result). The problematic part of the process is processing. Business process reengineering mainly intervenes in the processing part, which is reengineered in order to become less time and money consuming (Ozcelik, 2009).

2.1.2. Factors Determining the Effectiveness of Business Process Reengineering

Carmeli and Tishler (2004) found that managerial capabilities, human capital, perceived organisational reputation and organisational culture have a positive effect on organisation service performance. A case study of the Calgary Health Region in Canada by Pablo *et al.* (2007) also found that identification, utilisation and management of internal capabilities and resources had an effect on enhancing organisational service performance. Bryson, Ackermann and Eden's (2007) case study demonstrated the relevance of identification and effective utilisation of competencies in strategy formulation and implementation for better organisational success. Based on their observations, Bryson, Ackermann and Eden (2007) indicated the importance

of identification, exploitation, development, sustenance and protection of organisational competencies for better organisational effectiveness.

The management of change is an essential skill to facilitate the insertion of newly-designed processes and structures into working practices, and to deal effectively with resistance. This is considered by many researchers to be a crucial component of any BPR effort. Zairi and Sinclair (1995) further emphasized on it as they placed emphasis on the revision of reward systems, communication, empowerment, people involvement, training and education, creating a culture for change, and stimulating receptivity of the organization to change are the most important factors related to change management and establishing a culture of performance measures.

The commitment and leadership of management are often cited as the most important factors resulting in a successful outcome of BPR programme. Carr and Johansson (2005) make the point that leadership must provide a clear vision of the future. This vision must be clearly communicated to a wide range of employees who, then become involved and motivated rather than directly guided. Other leadership traits and characteristics that are cited and considered to be important in the literature are the leadership has to be effective, strong and visible, it requires creative thinking and understanding there must be commitment to and support for the BPR effort and the support from senior management must be constant throughout the lifetime of the BPR programme.

BPR creates new processes that define jobs and responsibilities across the existing organizational functions. This results in a clear need to create a new organizational structure which determines how BPR teams are going to look, how human resources are integrated, and how the new jobs and responsibilities are going to be formalized. The organization must therefore, have the ability to create the new organizational structures without disrupting or destabilizing the existing manufacturing capabilities. This requirement for the organization to have the ability to create new organizational teams and structures forms a key element of the case study.

Zairi and Sinclair (2005) emphasized that successful BPR implementation is highly dependent on an effective BPR management programme which should include adequate strategic alignment and effective planning and project management techniques. These techniques should identify a methodology for external orientation and learning, making effective use of consultants in building a process vision, which integrates BPR with other improvement techniques, and ensures adequate identification of the BPR value.

Brancheau et al (1996) make the point that factors related to IT infrastructure have been increasingly considered by many researchers and practitioners as a vital component of successful BPR efforts. IT function competency and effective use of software tools have been proposed as the most important factors that contribute to the success of BPR. These include building an effective IT infrastructure, adequate IT infrastructure investment, adequate measurement of IT infrastructure effectiveness, proper IT integration, effective reengineering of legacy IT, Kettinger et al (2007) go on to state that: BPR and IT infrastructure strategies which are both derived from organizational strategy need to be in effective alignment to ensure the success of the BPR initiative. While, McDonald and Earl (2005) adopt the stance that: IT can best enhance an organization's position by supporting a business-thrust strategy which should be clear and detailed. Top management should be involved in strategy formulation, as well as providing a Commitment for the whole process of redesign, while the IT manager should be responsible for designing and implementing the IT strategy. The degree of alignment between the BPR strategy and the IT infrastructure strategy is indicated by including the identification of information resource needs in the BPR strategy. Alignment is also achieved by the active involvement of management in the process of IT infrastructure planning, and IT managers in business planning, and also by the degree of synchronization in formulating the two strategies.

2.1.3. Responsiveness to Customers

In addition to redefining the different needs of various types of customers, empowered employees must realize the importance of responding promptly when customers have something needs response. Officials must understand that most customer demands, like constituent casework, require the intervention of empowered front-line employees with specialized knowledge and expertise. Responsiveness, together with reliability, assurance, empathy, and tangible outcomes, is one of the principle dimensions that can be used to judge an organization's customer service quality (Zeithaml, Parasuraman, and Berry, 1990).

The first step in developing a successful customer-service strategy is identifying various existing and potential customers in the public marketplace (McClendon, 1992). Organizations that systematically define who their customers are, what they want, and how expectations can be met, increase the probability of success by more precisely targeting limited organizational resources. To successfully respond to customer problems at the point-of-contact, problem

resolution and secondary recovery techniques (procedures to correct errors after they have occurred) must be taught to all employees, not just to managers. An effective customer service system rewards employees for quality service; management is responsible for designing and maintaining that system.

One technique being used in a few local governments to allocate rewards and make employees aware of the consequences on not responding to customers is the "secret shopper" program. Employees from different divisions volunteer to act as citizens seeking a public service from another agency. The quality of service is evaluated and opportunities for internal process improvement are identified. As public service organizations become more customer-driven, governments will respond to citizens as recipients who want issues resolved quickly without unnecessary bureaucratic delay or unreasonable excuses for inaction. (How much delay is necessary and which excuses are reasonable can be analysed by agencies with customer input to establish performance standards.) Customer satisfaction and administrative responsiveness can and should be the ultimate objectives of these efforts, not simply bureaucratic efficiency or political expediency. Organizations can adopt a marketing orientation, in the sense that each person in the organization can be trained to empathize with a customer and help resolve the problem no matter how trivial or openly hostile the question (Coffman, 1986). When disputes occur, most people need a reassuring statement from an official that he/she is aware of the problem and trying to resolve it as soon as possible. Unfortunately, public agencies are often so consumed with bureaucratic accountability and control that the emotional support needs of citizens are often neglected. This results in part from the top-down command and control type of management structure more commonly found in rules-driven (rather than results-driven) public bureaucracies.

Traditional public administration practice, crisis management, and historical patterns of governmental accountability favour top-down management and are used to justify not deploying a customer service focus where government workers identify and respond directly to citizens' needs and management expedites the process. Balancing these top down and bottom-up pressures is viewed by some as a problem in public agencies (Kettl, 1998). Most elected officials prefer to delegate authority to agencies that implement rules from the top. At the same time, they realize that rigid command and control systems stifle individual service, restrict flexibility, and impede immediate responsiveness to customers.

As Commercial Bank of Ethiopia is also under the supervision of government, it could not escape this reality. The networked customer service approach of granting bottom-up, instead of top-down, accountability encourages entrepreneurship by modifying the traditional relationship between citizens, managers, suppliers, and elected officials (Sarbaugh-Thompson, 1998). Within pre-determined limits for almost all routine decisions, front-line workers assume the authority to resolve the problem and accept the accountability for the results of the decision. Extensive training is provided to teach line employees to distinguish between routine situations and those that require a special response. Public managers have to balance the two potentially conflicting perspectives: the traditional top-down legal-rational approach and the empowered bottom-up process likely to lead to greater satisfaction for recipients. Without comprehensive employee training, shifting to the bottom-up networked approach too quickly could pose a challenge to the rule of law and administrative regulation upon which American government is based. Conversely, not focusing on customer needs within a reasonable timeframe increases frustration levels and inhibits accountability, empowerment, and responsiveness.

2.2. Empirical Review

Review on BPR studies shows that the opinion of scholars on the subject matter can be classified into two (Herzog, Polajnar, & Tonchia, 2007). The first group includes the scholars that agree that BPR is a panacea to turbulent market changes, customer demand and competition (Davenport & Short, 1990; Hammer, 1990, Terziovski, Fitzpatrick, & O'Neill, 2003), while the second group holds the opposing view claiming that BPR has failed to meet its expectations (Mumford, 1995; Biazzo, 2002). According to Al-Mashari, Irani and Zairi (2001) the average success rate achievement of implementing BPR in developed countries was 55 percent, being 61 percent achieved in the USA and 49 percent in Europe.

The majority of studies on BPR have focused on the importance of the various factors for successful implementation in the manufacturing industry, while relatively few studies have been conducted in the banking industry. Therefore, it is risky to generalize the BPR success rate, because the evaluation is subjective as cross national differences (such as cultural belief, norms and values) may exist. Reengineering is a painful process because the whole set of values and beliefs in the organization are being challenged (Hammer &Champy 1993). BPR factors in the present study have been adapted based on the scope of study and fit to the

banking industry, which is in line with the previous studies (Al-Mashari & Zairi, 1999; Ahmad et al., 2007; Salimifard, et al., 2010).

On the other account, a paper conducted by Khuzaimah in February 2011concludes that Business Process Reengineering has become useful weapon for any corporate organizations that is seeking for improvement in their current organizational performance and intends achieve cost leadership strategy in its operating industry and environment. It recommends that reengineering process remains effective tools for organizations striving to operate as effectively and efficiently as possible and organizations are required to reengineer their business processes in order to achieve breakthrough performance and long-term strategy for organizational growth and performance. A research memorandum of Getachew 2006 shows that, BPR has brought significant change in the efficiency and performance of service delivery departments and units in two ministries in Ethiopia.

This study tries to assess customers' perception of service efficiency, equity, effectiveness and responsiveness in relation to Business Process reengineering in commercial bank of Ethiopia.

2.3. Conceptual Frame Work

The independent variables selected for this study presented diagrammatically to demonstrate the relationship between them and the dependent variable as follows.

Independent variable

- Responsiveness
- Equity
- Efficiency
- Effectiveness

Dependent Variable

Business Process
Reengineering (BPR)
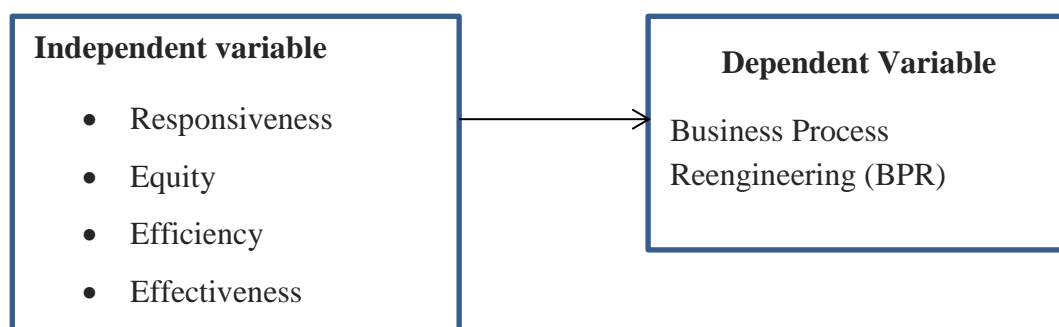
Source: own constructed October, 2014

CHAPTER THREE

METHOD OF THE STUDY

3.1. Research Design and Methodology

3.1.1. Research Design

The data will be analysed by using both quantitative and qualitative method. Descriptive survey design will be adopted because it is usually the best method for collecting information that will demonstrate relationship and describe things in natural setup as it exists. A quantitative method is chosen to be proper and suitable to collect and analyse primary data needed for this study given the fact large sample is needed to meet the objectives and it is also consistent with earlier studies. Kothari (2004) also stated that quantitative research is used to meet objectives that require mathematical analysis of data obtained from large sample.

3.1.2. Sample and Sampling Techniques

A target population that will be included in this study is only those customers who are getting service from the organization from February 20, 2014 to March 20, 2014; at 8:30 am – 12:00pm and 1:30 pm - 5:00 pm. The population within this time period is targeted to facilitate the data gathering using the Time Location Sampling Method which is used to collect information from hard-to-reach populations by sampling persons at locations at which they may be found.

It is impractical to collect data on the whole population, considering the size as well as time available for the study, hence a sample that represent the whole population was selected. The survey is conducted considering infinite population given the fact that; the spread of the population is not clearly known as the customers may come from entry part of the City at any given time. The sample size is calculated using the infinite population formula as suggested in Kothari (2004:179)

$$n = \frac{Z^2 \cdot p.q.}{e^2}$$

Where;

n = sample size of customers

P= sample proportion

q= 1-P

Z= Standardized normal variable and its value that corresponds to 95 % confidence interval equals 1.96

d(e) = Allowable error (0.05)

Accordingly, the sample size is determined to be;

$$n = \frac{1.96^2 . 0.5 . 0.5}{0.05^2} = 385$$

Hence, the sample size for this study is **385**

Beside a 20 % is added for the contingency to overcome potential non response rate and invalid responses; making the number of respondents **465.** A total of 465 questionnaires will be distributed to undertake this survey and all collected questionnaires will be edited and those with incomplete response and unlikely response will not be used for study.

3.1.3. Source and Tools/Instruments of Data Collection

Both primary and secondary sources of data will be used for this study. The primary data, which were known as first hand that, have collected for the first time and hence original in character (Kothari, 2004) will be collected through survey research by distributing questionnaires for customers.

Relevant theoretical and empirical related literatures will be consulted mainly on Business process reengineering versus customers perception of service efficiency, effectiveness, equity and responsiveness. In addition to this, data will be gathered from published and unpublished sources of Commercial Bank of Ethiopia's Website.

3.1.4. Procedure of Data Collection

The researcher will use questionnaire to collect primary data from customers of the Bank and interview to get information from branch managers. The researcher will visit to a selected branch and collect data from respondents himself. For the rest experienced enumerators will be arranged to facilitate distribution and collection of questionnaire on hard copy from customers. The views of managers of each selected branches will sought through interview to balance the response of customers. The questionnaire has three parts. Part one of the survey require respondents to provide demographic information on their age, sex, educational level, and how long he/she is customer to the bank while Part two focuses on BPR measure questions and customers perception of service efficiency, effectiveness, equity and bank's responsiveness to customers query. A five-point Likert-type scale (1= strongly disagree, 2= disagree, 3= neutral, 4= agree and 5= strongly agree) will be used to enable respondents rate on each characteristic. The third part has also included few open ended questions to let participants express their idea.

3.1.5. Instrument Development

The questionnaires and interview questions to be used are developed in line with the research question and objectives. Due attention is given to maintain principle of a good questionnaire by using short and brief statement, plain language, avoid leading question etc.

3.1.5.1. Validity

Instrument validity depends on the extent to which the item measures what it intends to measure (Creswel, 2009). Questionnaires are adopted from Abdurezak (2013).

The questionnaire will be translated into Amharic language to ensure clarity in interpretation of the meanings. Besides, the questionnaire will be pilot tested before conducting the survey to make sure that proper language structure was used and the question was capable of collecting the data intended for the study.

The respondents of the study will also request to provide comments on how well they understand the instruction. Time will be taken to answer a questionnaire will be recorded to

properly plan on final survey. Any major difficulties found in this stage will be given due attention and thoroughly corrected for the final survey questionnaire.

3.1.5.2.   Reliability

To measure consistency of the instrument, the questionnaire will be tested for reliability during the pilot test respondent's response using A Cronbach alpha.   A Cronbach alpha value above 0.7 is usually considered to offer reasonable reliability for research purpose (Creswell; 2009:190 - 92).

3.1.6. Methods of Data Analysis

After collected questionnaires are checked for completeness and consistency and properly coded to recheck in case error occurred, the data entered into SPSS.   Frequency will computed to check for range of response, count missing data, and screening data before analysis. Descriptive statistical techniques like frequency and percentage will be used. Inferential statistics will also be used to test the significance of difference between dependent and independent variables.

4.   Ethical Consideration

Permission will be secured from Commercial Bank Ethiopia to conduct the study at selected programme location before starting data collection. All participants in this study will participate voluntarily and they will be given a full description of the study before participating on the study. Care will be taken to protect harm against any research participants. All surveys will keep anonymous for the research. This study was conducted in a straight forward manner and participants are not being deceived.

5. Time Table

Activities	Time frame								
	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Identification of title consultation	■	■							
Proposal Development		■	■	■					
Literature review			■	■	■				
Presentation and consultation			■	■	■	■			
Developing data collection instruments			■	■					
Field data collection					■	■			
Data summarizing organization and entry.						■			
Data analysis, interpretation and discussion						■	■		
Report writing								■	
Thesis submission									■

Source: own constructed

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1- Questionnaire to be filled by Customers

Indra Gandhi National Open University
School of Social Science MPA Program

Dear Respondent:

The undersigned is conducting a research study as a partial requirement for the Master's Degree in Public Administration (MPA). The study is aimed to understand customers' perception of service efficiency, effectiveness, equity and responsiveness versus business process reengineering (BPR) in Commercial Bank of Ethiopia.

To this end, the researcher is requesting your kind cooperation to fill in this survey questionnaire and return it back to the data collector promptly. You are required to answer all questions because your opinion on this matter is most important.

May I assure you that your information will be kept anonymous and completely confidential and will be used only for academic purposes. Your kind cooperation is highly indebted.

With Thanks,

Kemal Gado Elemo

Phone (cell phone) 0911 41 77 19

Part I

Demographic characteristics (Tick whichever is applicable to you)

1. Gender :   Male ☐   Female ☐
2. Educational Level: Primary ☐   Secondary ☐   Bachelor ☐   Master ☐
   PhD ☐   other ☐
3. What type of customer are you? Individual ☐   Corporate ☐   Both ☐
4. What type of saving do you have in the bank?   Saving ☐   Current ☐   Other ☐
5. For how long are you customer for this bank? 1 year ☐   5year ☐   6- 10 ☐
   11 -16 ☐   17- 20 ☐ above 20year ☐
6. How frequently do you goes to the nearest branch? Daily ☐   once a week ☐
   twice a week ☐   once a month ☐   Occasionally ☐

Part –II

BPR and customer perception measures questions on service efficiency, effectiveness, equity and responsiveness.

General Instruction:

Rating scale for sections (Please highlight or circle one answer in each line across):

1 = Strongly Disagree 2 = Disagree 3 = Neutral 4 = Agree 5 = Strongly Agree

Sn	Description	strongly disagree	Dis agree	Neither agree nor disagree	Agree	Strongly Agree
	Business Process Reengineering(BPC) measure questions					
1.	I know that CBE has implemented business process reengineering (BPR).	1	2	3	4	5
2.	I understand that there is significant change in banks performance after implementation of BPR	1	2	3	4	5
3.	I have noticed that BPR has brought new way of doing things in the bank.	1	2	3	4	5
4.	I am very satisfied with the service provided after BPR implementation.	1	2	3	4	5
	Service Efficiency					
5.	Currently I spent little time to get service from the bank than I used to do	1	2	3	4	5
6.	I can access the bank service at any location at ease.	1	2	3	4	5
7.	The bank's branch and Automatic teller machines are available at convenient place for customers	1	2	3	4	5
8.	I can get the service from any commercial bank branches.	1	2	3	4	5
9.	The bank offers all services at single window after BPR implementation.	1	2	3	4	5
	Service Effectiveness					

10.	The bank always keeps my record correctly	1	2	3	4	5
11.	I found the new system(BPR) support the bank to meet the need of customers	1	2	3	4	5
12.	I always feel safe in my transaction with the bank (account maintenance, cash transfer, cash deposit and withdrawal, ATM card, etc)	1	2	3	4	5
13.	The bank has implemented new technology that meets customers expectation	1	2	3	4	5
14.	The new technology the bank applied is user-friendly.	1	2	3	4	5
	Providing equitable service					
15.	Every customers threated equally while they are looking for service	1	2	3	4	5
16.	The bank's employees value and treat each customer with dignity regardless of sex, ethnicity, religion, economic status etc.	1	2	3	4	5
17.	The bank is impartial and unbiased on provision of service.	1	2	3	4	5
	Responsiveness					
18.	The bank's procedure of handling customer request is meant to give immediate response?	1	2	3	4	5
19.	Front desk employees have always showing welcoming face for customers.	1	2	3	4	5
20.	Employees of the bank provide prompt response for the customers query	1	2	3	4	5
21.	Employees of the bank accept comments and complaints of customers and improve it for the next service time.	1	2	3	4	5

22.	The front office employees of the bank are customer centered	1	2	3	4	5
23.	Whenever I request for service, the bank's employees give me individual attention	1	2	3	4	5

Part –III

Please answer all the below questions as fully as possible, in the space provided.

1. What is the general difference that you notice in the bank for the last five years?

   ----

2. If you have any additional suggestions and comments on the bank and its services?

   Thank you very much!

1. What is the level of employees understanding the connection between the works they do and the mission and goals of the bank?

2. How was the top management and senior line managers of the bank are committed to the design and implementation of the Bank's BPR?

3. How do other employees involved in the process designing and implementing the new system?

4. What are the major improvements observed after the implementation of BPR?

5. What are the feedbacks of employees and customers?

6. Why do customers prefer commercial bank of Ethiopia, what is unique for the bank?

Thank you!