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**CHALLENGES IN THE IMPLEMENTATION OF
BUSINESS PROCESS REENGINEERING:
CASE STUDY OF MYANMAR CITIZENS BANK**

**KHIN YADANA WIN
(MBF - 4th BATCH)**

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**CHALLENGES IN THE IMPLEMENTATION OF
BUSINESS PROCESS REENGINEERING:
CASE STUDY OF MYANMAR CITIZENS BANK**

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the degree of Master of Banking and Finance (MBF)

Supervised by

Daw Htay Htay
Associate Professor
Department of Commerce
Yangon University of Economics

Submitted by

Khin Yadana Win
Roll No. 6
MBF 4th Batch

DECEMBER, 2018

ACCEPTANCE

Accepted by the Board of Examiners of the MBF Programme, Department of Commerce, Yangon University of Economics, in partial fulfillment for the requirement of the Master of Banking and Finance (MBF)

(Chairman)
Dr. Tin Win
Rector
Yangon University of Economics

(Supervisor)
Daw Htay Htay
Associate Professor
Department of Commerce
Yangon University of Economics

(Examiner)
Prof. Dr. Daw Soe Thu
Professor/Head
Department of Commerce
Yangon University of Economics

(Examiner)
Prof. Dr. Aye Thu Htun
Professor
Department of Commerce
Yangon University of Economics

(Examiner)
Daw Khin Nwe' Ohn
Associate Professor
Department of Commerce
Yangon University of Economics

DECEMBER, 2018

ABSTRACT

The studies focus on the challenges of business process reengineering (BPR) implementation in Myanmar Citizens Bank (MCB). The objective of the study is to identify the business process reengineering practices of Myanmar Citizens Bank and to analyze challenges of BPR implementation in MCB. To achieve these objectives both primary and secondary data are collected and questionnaires are distributed among 150 customers and 70 employees of Myanmar Citizen Bank. The study is the period from starting BPR implementation 2016 to 2018. It shows how existing processes benefit the bank and highlight the conditions to establish precedence for the initiation of BPR. It also shows how BPR can dramatically improve a business's performance and the infrastructure, processes and attitude changes required to successfully implement BPR in a business. The infrastructure changes include a successful and efficient Information Technology system, a review of Human Resources assets and successful implementation by a trained and motivated workforce. The thesis also show the difficulties expected when trying to implement BPR and how these can be overcome by being specific about the processes to be re-engineered and the vital role that IT can play. It also illustrate how important that planning is in the BPR Process. This study has indicated that BPR in MCB has not had as positive affect as expected due to improper or incomplete knowledge of BPR and a lack of understanding of the BPR process and initiate of too many processes by management leading to confusion and overstretching of resources. Therefore the study suggest that management to be totally committed to implementation of the process and assign resources and training. Lastly, training of all personnel is vital to the success of the BPR.

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LISTS OF ABBREVIATIONS

AS	Average Score
ATM	Automatic Teller Machine
BPR	Business Process Reengineering
CBS	Core Banking System
CEO	Chief Executive Officer
CPI	Continuous Process Improvement
CRM	Customer Relationship Management
CUP	China Union Pay
IT	Information Technology
ICT	Information and Communication Technology
JCB	Japan Credit Bureau
MCB	Myanmar Citizens Bank
MPU	Myanmar Payment Union
R	Rank
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TQM	Total Quality Management
WS	Weighted Score
YSX	Yangon Stock Exchange

CHAPTER I

INTRODUCTION

The rapidly growing markets, information and awareness in the world demand organizations change their operational processes to compete globally. People have more knowledge, more information in these days and this has compelled banks of many countries to advance the quality of their customer service, lessen their operating cost and improve their performance especially in developing countries. Today customers demand low prices and better quality services due to which organizations are facing stiff challenges. Focus of the organizations should be not only to lessen the cost of the operations but also to provide better and unique services to attract the new and retain the existing customers. Rapid improvements in the technology have forced the organizations to change their strategy, policies and capacities.

Organizations are taking initiatives to provide better and more varied services to their customers in different ways to meet the expectations of the customers. Organizations need satisfied and loyal customers to survive and operate in the long run. Business Process Reengineering (BPR) concerns the fundamental rethinking and radical redesign of a business process to obtain dramatic and sustained improvements in quality, cost, service, lead time, flexibility and innovation. BPR focuses on the whole process starting from product conceptual stage to final product design. In a way BPR is a “transformation” as opposed to ‘change’ that alters the basic rhythm and character of the organization.

In the world of business the changes to a large extent are caused by economic recession and market forces of demand and supply. In addition, Competition, globalization and information technology gave rise to serious transformation in the world of business and most importantly the customers’ needs, choices, preferences and awareness has become an important factor in process of change as the market has changed from sellers’ market to buyers’ market. Similarly the business arena in the service delivery industry like banking sector local or global is replete with banks that have undergone dramatic changes in recent times. The environment which engulfs the banking sector on one side provides the resources, opportunities for its existence and on the other hand imposes determinants what a bank can or cannot do. If a bank is to survive, grow and remain prosperous, it must adapt itself to the demands of the changing environment. All of these changes have made it imperative for the banking sector to begin to rethink new, better and more effective ways of doing business for a prosperous existence. With this perspective now the emphasis is laid on Business Process Re-engineering by the banks to improve organizational performance with High-technology banking via information technology to revolutionize relationship between customers and financial institutions and also to respond to the challenges like globalised business, spread clientele, reposition itself to meet and exceed customer needs of fast funds movement across the globe .The BPR is not a one-time solution rather it is a continuous process of screening and re-engineering to bring about excellence in the service delivery to stakeholders.

Despite the fact that BPR is a business stream, Information Technology (IT) can be a facilitating agent for its application and adoption. As IT gets more closely aligned with core business units, IT enabled BPR initiatives are a surefire way of achieving results due to its inherent capacity to

innovate. If IT isn't utilized, the transition from Non-BPR to BPR will be a mess because IT consolidates data. IT can realize that there are issues with the implementation and can find solutions and address critical concerns. IT must be an integral part of BPR initiatives to ensure a high level of organizational commitment. If IT does not get closely involved in BPR, business will remain oblivious of the challenges ahead. When IT takes charge of BPR initiatives it enhances the department's value within the organization and brings it closer to business.

1.1 Rationale of the Study

Myanmar is one of those developing countries which are facing problems in economic growth therefore business process in reengineering has more importance for the banking sector of Myanmar. Myanmar Citizens Bank (MCB) is a bank that has shown that in certain areas it requires. MCB had to move away from the branch-centric model and make its services available nationwide. The solution was to centralize its applications.

MCB's processes are outdated and require updating, streamlining, implementing and assessing. BPR aimed at value enhancement and redefining the way how banking is transacted.

By reengineering there has a lot of benefits which are an organization can achieve radical changes in performance (as measured by cost, cycle time, service and quality), It boosts competitiveness in the operations network through simpler, leaner and more productive processes, Reengineering encourages organizations to abandon conventional approaches to problem solving and to "think big" (revolutionary thinking). The slow, cautious process of incremental improvements leaves many organizations unprepared to compete in today's rapidly changing market place. Reengineering helps organizations make noticeable changes in the pace and quality of their response to customer needs (i.e. break-through improvements). Through reengineering, an organization can be transformed from a rule driven and job centered organization structure to a marketing organization structure that focusses directly on the customer. Reengineering often results in radically new organizational designs that can help companies respond better to competitive pressures, increase market share and profitability and improve cycle times, cost ratios and quality (organizational renewal). The major accomplishment of the reengineering effort is the change that occurs in the corporate culture and the basic principles by which departments operate. Workers at all levels are encouraged to make suggestions for improvement and to believe that management listen to what they have to say. Reengineering eventually help the culture in the organization to evolve from an insular one to one that accepts change and knows how to deal with it. Reengineering has helped create more challenging and more rewarding jobs with broader responsibilities for employees (job redesign).

Despite of benefit of BPR, which has also disadvantages. BPR typically requires an investment, particularly in technology. Outdated methods, such as doing a task by hand, face replacement by computer programs. The programs improve efficiency and reduce errors, but the company must invest in the software and training, a costly option for companies looking to cut expenses immediately. Not all business types benefit from BPR. Removing unnecessary steps cuts down on time and confusion among workers. Assigning tasks that multiple workers would typically handle to one worker gives customers a clear point of contact for help or service. Even by investing

more money in technology at the start, companies typically save money over time with the redesigned methods. For example, improving or updating electronic components incurs an up-front cost, but saves money over time by eliminating errors due to outdated components. Some workers may not adapt to the BPR changes, and those assigned new responsibilities can become overwhelmed. Other workers become obsolete if their primary function is eliminated as part of a process overhaul. Management must provide support and guidance during BPR. Failure of the management team to assist workers and set an example during the BPR process may lead to failure, disorganization and staff problems.

BPR process enables MCB to become more diverse, leaner and more efficient and streamline operations whilst standardizing processes. This Process Engineering is required to strengthen MCB in a competitive market Implementation can be done through the introduction of robust and clear processes which must be adhered to and enforced. Implementation can increase in process efficiencies improvement in customer service cost reduction data and information sharing use of IT. MCB employees are improper knowledge of Information technology, a lack of understanding of the BPR process, the organization faced by a lot of challenges when implementing BPR during 2016 to 2018. This research study has tried to analysis challenges of business process reengineering in Myanmar Citizens Bank Ltd(MCB) in Myanmar.

1.2 Objectives of the Study

- To identify the Business Process Reengineering practices of Myanmar Citizens Bank
- To analyze the challenges of Business Process Reengineering implementation in Myanmar Citizens Bank

1.3 Scope and Method of the Study

This study focuses on Business Process Reengineering of Myanmar Citizens Bank. The scope of the study is the period from starting BPR implementation 2016 to 2018. The total study period is 3 years. Among the practices of BPR in MCB, this thesis focus on centralized processing using Core Banking System, cost and time efficiency in the management and better customer service as the bank becomes more easily accessible for its customers, anytime, anywhere. Also study focuses on challenges and issues, customer and employee perception, benefit and impact faced in the BPR implementation.

This study used Descriptive analysis method with both primary and secondary data. Primary data is collected from customers and employees from sample 10 branches out of 33 Myanmar Citizen Bank branches. Data has been collected using two different sets of structured questionnaires for MCB's employees and customers in order to study the

perception of the consumer in relation of Business Process reengineering in their banks. The senior employees in questionnaire gave detailed information regarding changes that occurred due to implementation of BPR at MCB. On an average 70 sample employees and 150 customers filled the questionnaires. For descriptive analysis simple statistical techniques like average score and weighted averages. For Secondary data, are collected MCB's Annual Report and MCB's website, other Internet Websites and Yangon Stock Exchange (YSX)website and other related reports. Data collection periods from July 2018 to Aug 2018.

1.4 Organization of the study

This thesis is composed of five chapters. Chapter one is introduction which include rationale of the study, objectives, scope and method of the study, and the organization of the study. Chapters two cover theoretical background of Business Process Reengineering. Chapter three presents overview of Business Process Reengineering practices in MCB. Chapter four describe analyzes the challenges of BPR implementation in MCB. Chapter 5 concludes the overall study with findings and recommendation.

CHAPTER II

THEORETICAL BACKGROUND OF BUSINESS PROCESS REENGINEERING

In this chapter, revision of the relevant literature is undertaken to provide an overview of Business Process Reengineering (BPR). This chapter to review the Origin of BPR, Key concepts of BPR, Literature review for BPR challenges, the Six key steps of BPR, BPR implementation phases, 3 Levels of BPR and Development of BPR.

2.1 Origin of Business Process Reengineering

The original concept of reengineering can be traced back to the management theories of the nineteenth century. The purpose of reengineering is to make all your processes the best-in-class. Frederick Taylor suggested in the 1880's that managers use process reengineering methods to discover the best processes for performing work, and that these processes be reengineered to optimize productivity. In the early 1900's, Henri Fayol originated the concept of reengineering: To conduct the undertaking toward its objectives by seeking to derive optimum advantage from all available resources. Similarly, Galliers (1998) observes that "BPR ... far from being a new departure, is in fact a reversion to the classical school of strategic thinking popularized in the 1960s". That is, organizations make such radical changes when they meet competitive pressures which challenge their current processes. However it is commonly agreed that BPR first came and attracted academic and industrial attention in 1990 as a result of two papers by Michael Hammer (on reengineering, Hammer, 1990) and Thomas Davenport (on business process redesign, Davenport and Short, 1990). In 1993 they further published two key books (Hammer and Champy, 1993 and Davenport, 1993) which brought widespread attention to the emerging field of BPR.

The concept of BPR is widely regarded as having been introduced as a perceived solution to the economic crisis and the recession of the late 1980's and early 1990's (Butler, 1994; Arnott and O'Donnell, 1994). As Butler describes it: "the '80s were a time for financial reengineering ... the '90s are for technological reengineering". Hammer and Champy (1993) propose that "BPR can help organizations out of crisis situations by becoming leaner, better able to adapt to market conditions, innovative, efficient, customer focused and profitable in a

crisis situation”. Before BPR emerged (and even today), it was widely accepted by industries and business enterprises that a work should be broken down into its simplest (and most basic) tasks. This leads to the structure of enterprises becoming hierarchical – or functional – in order to manage such divided tasks. These hierarchical or functional structures were commonly used for a period. However, enterprises of these structures later encountered some problems, especially when the competitive environment has changed beyond what we can recognise³. Today, many enterprises face competition from the global business environment as well as the fact that the taste of customers is becoming complex. As Hammer (1990) argues, “in order to achieve significant benefits, it is not sufficient to computerize the old ways, but a fundamental redesign of the core business processes is necessary”. New organizational structures, which are more suitable to today’s environment in which enterprises can understand their current activities and find potential problems, are needed. MacIntosh and Francis suggest that it is becoming more important “to develop new products effectively than to produce old products efficiently”. By introducing fast developing information technology, enterprises try to redesign their structures and seek new ways of operation, which results in many enterprises moving toward combination but not division of labour. Hammer and Champy conclude that previously divided tasks are now being re-unified into coherent business processes. Thus one reason why BPR becomes popular is that it provides a mechanism to make the changes better to fit the competitive environment to which the enterprises must adapt themselves in this new and post-industrial age.

2.2 Key Concepts of Business Process Reengineering

BPR seeks to break from current processes and to devise new ways of organizing tasks, organizing people and making use of IT systems so that the resulting processes support the goals of the organization. This activity is done by identifying the critical business processes, analyzing these processes and redesigning them for efficient improvement and benefit. Vidgen et al. (1994) define the central tenets of BPR as radical change and assumption challenge, process and goal orientation, organizational re-structuring and the exploitation of enabling technologies, particularly information technology. That is, by focusing on business objectives, we analyse the processes of the organization, eliminate non-essential or redundant procedures, and then use IT to redesign (and ‘streamline’) organizational operations.

2.3 Literature Review for BPR Challenges

This section looks at challenges of BPR according to the literature related to the implementation of BPR. In addition, critical success factors presented as well as factors leading to failure.

Grover and Malhotra (1997) and Hammer (1990) have provided examples of how BPR has been implemented and led to the achievement of business excellence. However, O'Neill and Sohal (1997) and Jurisch et al. (2012) state that despite this success, many organizations do not achieve the intended results of BPR. Grover and Malhotra (1997: 200) state that "re-engineering is a challenge, as it requires out of the box thinking" and various aspects of the organization must be taken into consideration for the institutionalization of BPR. The changes that organizations need to deal with include internal and external pressures and, consequently, organisations have instituted a number of changes in an attempt to improve performance whilst managing this change. O'Neill and Sohal (1999: 577) state that re-engineering in an organization is already a challenge in the sense that it is a complex task to ensure that the re-engineering has benefits for the organisation. Hammer and Champy (quoted in Mekonnen 2011: 13) state that "an estimated 50 to 70 percent of BPR projects fails to achieve dramatic results". This is due to organisations' natural resistance to change. Therefore, it is essential, according to Senge (quoted in O'Neill and Sohal 1999:577), that management of the change process includes the coordinating of the activities of complex horizontal processes, specifies boundaries and makes horizontal connections (culture and change), and information that is readily available to all team members to facilitate the learning process.

To clarify the challenges Attaran (2004: 593-594) has identified six key obstacles to BPR implementation: misunderstanding of the concept, unrealistic objectives, management failure to change, misapplication of the term of BPR, lack of proper strategy, and failing to recognize the importance of people. O'Neill and Sohal (1999: 577) that classical re-engineering has some problems: "the danger is designing another inefficient system, ignoring the embedded system knowledge accumulation over many years an, and not appreciating the scope of the problem". To address this problem BPR needs "a working balance between individual occupational and organizational goals and the BPR methodology only considers this in the last stage with implementation and integration" Buchanan (1997: 67). Therefore, the classical re-engineering of processes is not beneficial to an organisation.

Other challenges identified range from system integration, expectations of customers, job losses as noted by Deakins and Makgill (1997), Mcmanus (1997) and Narasimhan and Jayaram (1997). According to Deakins and Makgill, there is a lack of literature that underpins BPR and insufficient focus is placed on people and change management, but focus is directed to IT as the enabler and more emphasis must be placed on implementation issues (1997:104). McManus states that "BPR offers an immense challenge to system integrators and requires a new approach to systems development, one which is based pro-actively applying information technology to improve business processes. This is accomplished by: adopting business perspective; improving business and organization knowledge, viewing processes across organization boundaries, proposing creative business solutions; developing advance business tools for BPR and participating as a member of cross functional team" (1997: 41).

Kotter (1996:4-14) states that “too much complacency, failing to create a sufficiently powerful guiding coalition, underestimating the power of vision, under-communicating the vision by a factor of ten, permitting obstacles to block the new vision, failing to create short-term wins, declaring victory too soon and neglecting to anchor changes firmly in the corporate culture”. Attong and Metz (2012: 24-26) state that in attempting to manage change, specific tools that outlive the project lifecycle of BPR. The change management plan must focus on people and cultural issues. The project team must try to manage the fears of the staff to avoid resistance to change and advocate for the staff to embrace the BPR efforts. If it is found that there is some resistance to change, then the project team has to uncover the root causes of resistance before proceeding with BPR efforts. One of the major tools used for change management would be constant communication used to empower staff and to keep them informed and create a sense of ownership.

2.4 The Six Key Steps of Business Process Reengineering

- 1. Define Business Processes.** Map the current state (work activities, workflows, roles and reporting relationships, supporting technology, business rules, etc.).
- 2. Analyze Business Processes.** Identify gaps, root causes, strategic disconnects, etc. in the context of improving organizational effectiveness, operational efficiency and in achieving organizational strategic objectives.
- 3. Identify and Analyze Improvement Opportunities.** Identify, analyze and validate opportunities to address the gaps and root causes identified during analysis. This step also includes identifying and validating improvement opportunities that are forward facing – often strategic transformational opportunities that are not tethered to current state process.
- 4. Design Future State Processes.** Select the improvement opportunities identified above that have the most impact on organizational effectiveness, operational efficiency, and that achieve organizational strategic objectives. Make sure to select opportunities for which the organization has the budget, time, talent, etc. to implement in the project timeframe. Create a forward-facing future-state map that comprehends the selected opportunities.
- 5. Develop Future State Changes.** Frequently overlooked (and a key root cause in failed BPR initiatives), this is where the above opportunities are operationalized before implementation. New workflows and procedures need to be designed and communicated; new/enhanced functionality is developed and tested, etc. Changes and opportunities cannot be implemented until they are operationalized.
- 6. Implement Future State Changes.** Classic implementation based on dependencies among changes/opportunities, change management, project management, performance monitoring, etc.

2.5 Business Process Engineering Implementation Phases

A successful BPR implementation brings significant improvement to productivity, customer service and bottom-line. There are pain and difficulties during implementation and instances where

BPR efforts did not achieve desired result. Notwithstanding, the risk is worth taking. Otherwise, there is greater risk of being overtaken by competitors who develop and progress rapidly through BPR.

Implementation Phases

i. **Project kick off:** Project goal, project team and communication standards are agreed upon. A number of workshops are held where project scope, sponsors commitment, project risk, milestones and deliverables are discussed. A SWOT (strength, weakness, opportunities and threat) analysis is carried out with active participation of all.

ii. **Process identification and data gathering:** “As is” processes are assembled through flow charts. Current practice of Interfacing with business partners is gathered. Bottlenecks, delays, complexity, internal blame games, idle assets etc. are brought forward. Use of existing technologies is comprehended. Major and strategic business processes to be reengineered, are identified. Stakeholders categorize the processes to be reengineered and agreed upon on the timeline of implementation.

iii. **Process Reengineering:** In this phase, actual reengineering begins. A number of brain storming sessions are held with project team and other stakeholders, where current business processes are critically analyzed to determine non value adding activities and identify excess control and check, always with customer value as a focal point. Impact of new technologies on process improvement is also evaluated. New process ideas with reduced check and control and enabling technologies such as Workflow automation and ERP, are envisaged. Benchmarking is also done with best of breed industrial peers.

i. **Blueprint of new system:** Blueprinting involves modeling workflow and information requirement, of new business processes. “To be” processes are modeled using various modeling tools. New organization structures, human resource need, performance monitoring and compensation, technological needs, are also outlined. Normally, a first cut redesign scheme is produced which is modified after gathering actionable feedback from the stakeholders.

ii. **Transformation:** A migration strategy and a migration plan is the first step of transformation. Migration strategy may decide as a pilot, phased or big bang implementation. The migration plan would include establishment of new organizational structure, detailed training and reallocation of workforce, and cut off dates for implementation. Change management and introduction of new technologies form an important part and may need engagement of outside consultants for this specific purpose. There should be provision on the plan to tweak the implemented system so as to get maximum value out of it.

2.6 Three Levels of Business Process Reengineering

Levels of Reengineering Business Process are the need for process reengineering and the core elements of process-reengineering. Before discussing the process reengineering model, we need to clear the confusion caused by some organizations using the terms work process reengineering, business process reengineering and business reengineering synonymously. To avoid

confusion, it is better to consider reengineering at three levels which make the implementation of Business Process Reengineering or Process Reengineering easier.

The three levels of reengineering are:

- (i) **Work process reengineering** which deals with any process in a firm that describes the sequence of activities through which a major function is performed
- (ii) **Business process reengineering** is concerned with the whole process of an organization. It describes the entire sequence of activities directly or indirectly connected with satisfying the needs of a firm's customers while generating quality return on investment for shareholders. The business process is made up of all the work processes in the firm. It includes the processes of the business partners such as suppliers of materials or services upstream or a distributor downstream.
- (iii) **Business reengineering goes beyond Business Process Reengineering (BPR)**. It deals with all aspects of running the business. It includes the management style, the organizational structure, the business philosophy and marketing strategies, production and operations, human resource management, purchasing, organizational structures, accounting concepts, information systems and global business strategy.

2.7 Development of BPR

Bhandiwad (1998) argued that in 1970s people were after productivity while in 80s the trend shifted towards quality while since 1990s almost every organization is at least talking about process improvement, process redesign or process reengineering as a source (way) to cope with the dramatic changes in technology and competition. Among various techniques and management approaches BPR is new and most commonly used in this era of globalization and technology.

Grey and Mitev (1995) concluded that there are three essential Cs in BPR i.e. customers, competition, and change. These Cs are in other word reasons why banks are adopting BPR. They want to satisfy customer's need and wants, achieve competitive advantage and to move with constantly changing environment. T. H. Davenport and Short (1990); (Hammer, 1990) are the pioneers in the field of BPR who introduced this concept to the world and are known as the fathers of BPR. Hammer & Champy (1993) defined Business process Research (BPR) as "the fundamental rethinking and radical redesign of business process to achieve dramatic improvement in critical contemporary measures of performance, such as cost, quality, service and speed". Another definition of BPR was from T. Davenport (1993), "encompasses the envisioning of new work strategies, the actual process design activity, and the implementation of the change in all its complex technological, human, and organizational dimensions."

Changes in business process are named differently by various authors for example; Habib (2011) collected the various definitions and approaches and stated that, Interpretation of business process varies from author to author (for example Hammer & Champy (1993) thinks it as radical change and rethinking of overall process to achieve overall performance in terms of cost, quality, service and speed, while Davenport & Short (1990) calls it as a process of analysis and workflow redesign in an organization. Talwar (1993) on the other hand emphasized on rethinking and

reconstructing the organizational structure, workflow and value chain. Petrozzo & Stepper (1994) call it synergetic and synchronized redesign of firms' process and overall system to improve the operations (as cited in Greasley & Barlow, 1998).

O'Neill & Sohal (1999) argued that focus of the business process or change differs among many researchers. Hammer (1990) called it BPR (Business Process Re-engineering), Davenport & Short (1990) used BPR (Business Process Redesign), Harrington (1990) used term Business Process Improvement while Business process transformation term was used by Burke & Peppard (1993) etc. In all discussion, it is clear that the authors are obvious about the importance of BPR and all agree on the result i.e. improved performance, efficient and effectiveness, cost minimization and increase in production. In short it can be said that radical improvement of organizational performance and process is the key aspect of BPR.

According to Sentanin, Santos, and Jabbour (2008), the concept of BPR originated in 1990s enabling companies to improve productivity and relationships with customers and reduce time to launch new products and services in terms of cost quality customer satisfaction and shareholder's value in link with the strategy by identifying the most important processes of the company. It is to assess the stages of the company in line with the processes the company is going through to enable a company for process improvement process redesign and radical reengineering.

Similarly, Cao et al. (2001) considers BPR as a tool for managing change, increasing productivity, reducing cost, tool for improving satisfaction of customers and quality of products produced. Furthermore, Majed Al-Mashari and Zairi (2000) says that, BPR is about bringing radical (major) change to provide satisfaction to customers, to achieve competitive advantage, to improve quality of products and services, and to minimize cost. In struggle for survival in this dynamic business environment, globally \$2.2 billion were spent on BPR between 1996- 2000 with an annual growth exceeding 46%. This shows the urgency of companies towards adjusting their business in histrionic and world-shattering changes.

Moreover, Goksoy, Ozsoy, and Vayvay (2012) considers BPR as a strategic tool for organizational change and stated that firm needs to bring moderate change every year and undergo a major change almost every fifth year if they want to survive in today's hypercompetitive environment. Thus, BPR, with so many names and differences in the approach leads to create confusion in the mind of readers therefore, it is necessary to review those approaches and different schools of thoughts for the purpose to identify the areas of agreement and disagreements.

CHAPTER III

OVERVIEW OF BUSINESS PROCESS REENGINEERING

IN MYANMAR CITIZENS BANK

This chapter give an overview of Myanmar Citizens Bank's (MCB) Historical background, Mission, Vision, Corporate Governance and Board Composition & Committees' Members, Key strategy, Commitments, Capital injection and paid up capital, Capital structure and investors, branch network, MCB at Yangon Stock Exchange, Dividend as well as MCB products and Services. Also this chapter overview Business Process Reengineering (BPR) implementation practices, Objectives of BPR in MCB, Limitation, Challenges and Issues faced by BPR implementation.

3.1 Overview of MCB Profile

Historical background: Myanmar Citizens Bank (MCB) was established in 1991 by Myanmar Special Company Act 1950 and commenced banking operations on 2nd June 1992 at Kyauktada, Yangon. The Authorized Capital of MCB is 75 Billion Kyats and its Paid up Capital is 52 Billion Kyats. MCB is one of the first banks to take initiative to be listed in Yangon Stock Exchange in August and conducts trading starting on 26th August, 2016. To date, the bank has 33 branches and about 800 employees. MCB holds Authorized Dealer License and is currently conducting International Banking services to individual customers as well as business clients. At the heart of its business, MCB offers a range of deposit products and services such as Call Deposit Accounts, Time Deposit Accounts, Savings Accounts, Current Accounts, Foreign Currency Account, Loans and Financing Products, Trade Finances, International and Domestic Remittances and technology driven Alternate Delivery Channels for customers' every stage of life.

Mission: MCB's mission, in relation to BPR, is to build a secure, robust IT infrastructure and road map to support the bank in managing its business effectively and efficiently as well as utilizing efficient and innovative technology to deliver to customers convenient and secure products and services. This will be done by developing and incorporating operational and risk practices and methodologies into the banks operations.

Vision: MCB's vision is to become one of the top leading local banks in Myanmar with remarkable strength, stability & sustainable growth by creating Values to all stakeholders through contributing in economic development progress of Myanmar.

Corporate Governance: MCB's Corporate Governance Framework & practices play a major role in supporting its Business Operations & processes as well as its shareholders' values in terms of assuring the transparency & accountability throughout all lines of authorities. MCB Corporate Governance Framework provides clear and detail guidance on how authority, role & power are exercised from Board of Directors to Senior Management, in order to protect its Shareholders' interest, as well as other stakeholders'.

MCB regularly reviews its corporate governance arrangements and practices to ensure that they reflect developments in regulation, market practice and stakeholders' expectations. Throughout the past and current financial years, MCB has followed Corporate Governance recommendations & guidelines set out and issued by YSX (Yangon Stock Exchange).

Board Composition & Committees' Members: The Board is responsible for the strategic direction of MCB according to its memorandum of incorporation. Through its oversight and strategic steer, the board of directors ensures that MCB capitalizes on its opportunities as an ethical, decisive and responsible corporate citizen. Directors were also assigned responsibilities at proper roles in forming 7 Committees which are Risk Management Committee, Loan Committee, Payroll Committee, Audit Committee, Liability, Revenue & Assets Management Committee, Strategic Management Committee and the Board IT Steering Committee

MCB Key Strategy:

- 1) Effectively leverage on its shareholders and their group Customers & Suppliers network.
- 2) Digital Bank Transformation to cover full ecosystem for customer experience, process efficiency, transparency & consistency on the quality of services.
- 3) Develop innovative products to meet customers' demand at competitive costs.
- 4) Expand physical branch network to achieve optimum number of branches to support reaching the strategic goals.
- 5) Building the learning organization where Talents can be sharpened & rewards can be earned for above & beyond performance.

MCB Strategy seeks to deliver on this vision by building firm & long term customer relationships to become the leader in Banking & Financial Services in all regions of Myanmar, which leads MCB to be the choice of customers, as well as the best talents to work in a place where superior Values & Returns are created for MCB Shareholders. To deliver the strategy, MCB is focused not only on developing & developed industries/markets but also high potential areas that can provide the backbone to building the foundation for its Economy. In order to assist its focused areas both financially & intellectually, MCB provide a range of comprehensive financial products & services tailored to the needs of its customers and the country as a whole.

MCB's Commitments Rooted from MCB Strategic Priorities are:

- a) To customers – its existence is entirely for customers, they set its value by customers' satisfaction, its products and services are for the benefits of customers.
- b) To employees – its vision is to build the learning organization where employees can increase their capacity to make each day better by learning continuously.

- c) To social & community – its belief is that profitable organization must also be sustainable by creating value for the social, environmental and community as a whole.
- d) To shareowners – one of its many purposes of being listed on YSX is to prove that they practice good governance to ensure transparency, accountability and compliance.

Capital Injection and Paid-up Capital: The maximum Paid-up Capital of Myanmar Citizens Bank Ltd. is approved up to MMK 75000 million as per instruction no. (1/2013), dated 2-1-2013, by Ministry of National Planning and Economic Development. The Bank's current Paid-up Capital is MMK 52 Billion stated.

Capital Structure & Investors: Out of MMK 52004.930 million of Paid-up Capital, Ministry of Commerce holds the shares worth MMK 5117.055 million (9.84%) and general public holds the shares worth MMK 46887.875 million (90.16%)

MCB Branch Network: During 26-year-long banking operations, MCB successfully opened 33 branches and mini branches in different states and divisions.

MCB at Yangon Stock Exchange: MCB became the listed bank on the Yangon Stock Exchange on 26th August 2016 and is the first bank approved to sell banks' shares. They opened the market with base price of MMK 6800 per share and it reaches MMK 7800 per share today. Total volume of shares and value were 190693 and MMK 1939.017 million respectively from 26-8-2016 to 20-7-2018. Current price per share in the market is about MMK 7800.

Dividend on Shares: In 2016-2017 financial year, its profit before tax was MMK 7817.64 million and they made the payment of MMK 1984.54 million in advance as income tax. In 2017-2018 financial year, its profit before tax was MMK 3958.10 million and they made the payment of MMK 786.73 million in advance as usual as income tax. On the rest net profit, they establish MMK 792.84 million as reserve funds which is the equivalence of 25% of profit as per Law of Myanmar Financial Institutions, MMK 870.20 million as fund for loan and MMK 2211.24 million as accrued dividends. Out of these dividends, MMK 2080.20 million paid out as the profit for shares.

3.2 Products & Services of Myanmar Citizen Bank (MCB)

Myanmar Citizens Bank aims to provide as many financial products and services as possible for the convenience and satisfaction of bank's customers. Followings are the products and services provided by Myanmar Citizen Bank.

Foreign Exchange Operations: MCB was granted a Foreign Exchange Authorized Dealer License by Central Bank of Myanmar on 17th August, 2012 and became a member of the Society for Worldwide Inter Bank Financial Telecommunication (SWIF) on 5th January, 2013. MCB has established correspondent bank relationships and maintained NOSTRO accounts with United Oversea Bank [UOB], Oversea Chinese Banking Corporation [OCBC], DBS Bank, United Bank of India, Malayan Banking Berhad [May Bank], ICBC, Krung Thai Bank, Siam Commercial Bank, Kasikorn Bank, Bangkok Bank and BIDV. By connecting with correspondent banks, MCB is currently providing the

following services are foreign currency current account opening, Cash disbursement, Account Transfers, foreign exchange activities for exporters and importers.

International Remittance and International Money Transfer Services: MCB also obtains profit by providing international money transfer services, in collaboration with transfer agencies such as Money Gram International Limited – MGIL [Dubai], International Money Express – IME [Malaysia], Trans Fast World Wide Money Transfer [T.F] [New York], Merchantrade Money Transfer Services, for customers working in foreign countries so that they could make the transactions handily.

Services for International Trading Operations: The Bank organized Trade Finance Department in April 2017 with the aim of providing better services in international trading to catch up with advanced banking services. MCB's current focus is on efficient export/import operations and the followings are its available services: Import Letter of Credit; Import Bill for Collection; Import Bill Purchased; Import Financing; Export Letter of Credit; Confirmation Export Bill Collection; Export Letter of Credit Advising; Export Bill Purchased; Bank Guarantee or Bond (Foreign Currency); Non-Trade Payment (Outward Remittance) and supporting Trade Facilities. Trade Finance Department facilitates Export/Import services; Bank Guarantee and Non-trade Payment (Outward Remittance). The Trade Finance Department aims to maximize the customers' international import and export trading potential during the financial year, 2018 and ensures to provide best financial assistance concerning Bank Guarantee operations year by year.

Visa Card, Master Card Acquiring and Issuing: After acquiring the business license from the related organizations, MCB has installed POSs in position at 35 locations in total including hotels and restaurants to provide the visitors from other countries the most convenient payment experience with Visa and Master Cards. In this way, they could manage to get service charges and could add foreign currency required in its Nostro Accounts. For its citizens working in foreign countries to make payments in restaurants, supermarkets and hotels, to book air-tickets and hotels and to shop online, MCB provides Citizen Card as its Master Card in collaboration with 2C2P, a technical provider in Thailand.

Myanmar Payment Union (MPU): With the aim of reducing local payments in cash and to boost banking operations between the banks, allowing the most convenient cashless experience, managing the international cards available in local and connecting local banks' operations with international network, MCB is one of the first members in organizing MPU.

Customers can access all ATMs installed by KBZ, AYA and CB banks in MPU network with its ATM Cards to make cash withdrawal and account transfer. Currently they manage to make transactions with foreign cards such as China Union Pay [CUP] and Japan Credit Bureau [JCB] Card. As the MPU member, MCB has tried to include Visa Card, Master Card acquiring and issuing in its available services. To date, they have 16117 ATM Customer Accounts and have installed 7 POSs and 22 ATM machines. They are aiming to set up more ATM machines in the future as well.

Mobile Payment: MCB was granted for Mobile Payment System by CBM in May 2015 to allow the customers to transfer money via mobile handset to someone in branchless rural area where there is no branch. They also collect more service charges by supporting its customers with this system to make transactions from one branchless area to another. Presently, they are

collaborating with 663 Mobile Agents in those regions to collect its HP customers' interest payments. MCB has 8 Super Agents, 1649 Agents, 12884 Subscribers and 1135 Merchants in Mobile Payment operation.

E-payment Service: MCB started E-payment System, an online system to make payments on 1st September 2017. By making payments at MCB in advance, its customers are provided with a safe and convenient method of making payments for import license fees to Ministry of Commerce without sending money in cash to Naypyitaw.

Loan Services: In providing a short-term loan service, (which is one of its main income sources) MCB aims to provide loan facilities to local businesses by utilizing the Loan Committee and analyzing risks before approving loans to consequently contribute to the economic development of the nation on one hand, but to have constant income, develop its banking business and to effectively reduce risks on the other. MCB, using BPR, set new Policies for providing loans to prevent the potential risks in its banking operations.

Hire Purchase: Hire Purchase is a service provided by MCB Bank starting in October, 2012 in association with 25 big companies financing products. They could manage financing agricultural machines, condominiums, luxury automobiles, industrial vehicles and construction machines with no loss so far. Its major financing products in 2017-2018 financial year are agricultural machinery purchased by 10519 farmers in every states and divisions in the nation and its income is MMK 8467.01 million. In providing Hire Purchase scheme, MCB is trusted by entrepreneurs and customers for its effective and fast services. They not only financed agricultural machinery under HP scheme for the development of agricultural sector, but also provided fertilizers and crop protection products under SME Finance scheme in every State and Division since November 2017. In 2017-2018 financial year, they also increased their market share by financing home and office (electrical) appliances under HP scheme with the aim of developing living standards for all classes of people in the nation.

SME Loans: As MCB was selected as the Participant Financial Institution for JICA (Japan) Two Step Loan program for the growth of Small and Medium Enterprises (SMEs), they could provide loan amount of MMK 6.37 Billion to 19 entrepreneurs in 2016-2017 financial year and loan amount of MMK 2.47 Billion to 9 entrepreneurs in 2017-2018 financial year. In total, MCB offered MMK 8.84 Billion to 28 entrepreneurs in Yangon, Mandalay, Bago, Ayeyarwady, Tanintharyi and Rakine. At upcoming Two-Step Loan Phase II, they try to provide loans to both small business and others producing value added goods in different states and divisions.

Human Resources Development: MCB is performing the development of human resources with special consideration - to be at the same level of succeeding banking operations and new technologies in the business. Its efficiently run Human Resources Department is training and coaching staff in both branches and head office to have all abilities in providing the best banking services at the time of implementing Core Banking System. Training Centre at MCB was developed in 2018 by the department. Furthermore, they also managed to give employees on-job training and to attend training, workshops and seminars conducted by associations of banks and foreign banks.

3.3 BPR Implementation Practices in Myanmar Citizens Bank

Business Process Reengineering (BPR) can be easily introduced in banks that have people who are receptive to new ideas and keen to accept change in their ways of doing things for the benefit of the bank. The employees in these banks understand the short-comings of some of the existing processes and have open mind and are prepared to contribute significantly for implementing radical improvements for the survival and growth of their banks in a competitive market. The employees of Total Quality Management (TQM) banks are willing to learn and acquire new skills.

If the employees of banks are pessimistic, skeptical, and defensive and have complacent mind set, it is difficult to implement BPR in such banks. Even though top management may take initiative and try to convince the employees about the need for reengineering, they are reluctant to change their mind set for the better. They feel quite comfortable in their present method of doing their jobs and they have fear of the unknown when they are asked to change their ways of doing things. They even try to justify their ways of doing things as good and feel that they do not need to be changed.

Resistance to BPR usually occurs at junior and middle management levels. They suffer from the feeling of insecurity when they are asked to examine their tasks for the purpose of improvement. They have an unfounded fear that process-oriented thinking would result in the loss of power, control and authority for them. In some banks, even top managers exhibit resistance to change and are not supportive of BPR.

MCB practiced Change management in BPR implementation. It includes Reward and Recognition in form of motivation. This refers to the extent of the organization to motivate its employees through various means in form of hygienic or motivating factors. The hygienic factors includes inducement by increasing salary, bonuses, and etc. The motivating factors encompasses job enlargement, job enrichment, job rotation, promotion, offering higher responsibility, acknowledgement of higher performance achievement of employee etc. The organization reward system should be revised as part of motivation process for the BPR effort (Jackson, 1997). Effective motivation package for an organization has to be widely spread and give equal chances and opportunities for all employees (Towers, 1994). Job enlargement through introduction of new job titles can be considered as an example of motivation and encouragement of people to endorse the reengineering programme without fear.

Effective communication can be defined as the extent to organization to keep their employees up-to-date with related changes in policies and procedures regularly. Effective communication in organization clear rumor mongering and filters noises any developmental changes in policies or process that may affect them either positively or negatively in order to achieve desired goals. Communication should be open, honest and clear (Davenport, 1993; Jason, 1992), especially when discussing sensitive issues related to change such as personnel reductions (Davenport, 1993). Organizational culture is defined as the extent to which organizational norms and values become acceptable to the employees

Effective organizational culture exhibit professionalism of its employees to work as a team for achievement of desired objectives. As BPR encourages integration, teamwork, cooperation,

coordination and empowerment of employees in the reengineered work environment. However, trust and honesty among team members is also needed, and within the organization as a whole (Dixon, Arnold, Heineken, Kim & Mulligan, 1994; Jackson, 1997). Stimulating receptive to change which measure the extent of the organizations influence on it employees to accept the new changes introduced for overall organizational improvement. The organizational influence requires top management interaction with subordinate and various teams within the organization to achieve positive results (Guha, Kettinger & Teng, 1993; Hall, Rosenthal & Wade, 1993; Jackson, 1994).

Employee's empowerment which refers to the opportunities given to the subordinate to handle a process that are capable in doing to execute from beginning to the completion without reference to superior supervision. These opportunities given to the subordinate encourage bottom top approach communication of new ideas and reduce organizational bureaucracy in administration (Cooper & Markus, 1995; Dawe, 1996; Hinterhuber, 1995). In addition this strategy promote teamwork, self-collaborative management culture and motivate the staff to be responsible and accountable for their action (Rohm, 1993; Mumford, 1995) and Training and education, this refers to the training on-the job and off-the job to improve the employee's skill on job execution. To successfully adopt BPR project in organization, additional budget on training is required to facilitate easy execution. All the employees have to be train and re-train on the new processes. Business managers, front and back office staff have to be trained on the redesign processes, customer service handling and new approach to relationship management (Berrington & Oblich, 1995; Towers, 1994; Zairi & Sinclair, 1995).

MCB practice Management Commitment in BPR implementation. This measure the extent of top management plan of activity for customer satisfaction through process reengineering, employee's contributions to the remarkable performance achievement. Top management in organization encourages changes to improve competitive advantage thereby enhance organizational performance (Hammer & Stanton, 1995; Holland & Kumar, 1995; Guimaraes & Bond, 1996. Top management is responsible for each and every activity at the all levels of the organizations (Singh & Kant, 2008). Top management should provide a clear direction or vision in order to help BPR team members to be directed toward the desired results (Sung & Gibson, 1998).

In BPR implementation practice Customer Focus refers to external orientation based on customer research, competitive analysis, analysis of customer requirement on products/services, and firms that are able to meet customer demand to achieve a competitive advantage over their competitors (Cheng and Chiu, 2008). Customer requirements and expectation should be defined and measured; processes should be defined broadly in terms of customer values. Benchmarking allows learning from other organization's experience as well as learning from one reengineering process to another in the same organization. Electronic banking (e-Banking) is an innovative way of doing business in an information environment. An innovative organizational requires customer involvement during BPR (Zirger & Maidique, 1990). Organizations should gather information from their customers to drive the BPR projects. This helps them to recognize their customers' needs (Ahadi, 2004)

In BPR implementation practice Information Technology (IT) Infrastructure is one of the important. It measures the organization I.T infrastructure alignment with BPR strategy, organization's expenditures incurred on I.T infrastructures, personnel training, I.S maintenance,

hardware's and software. Information Technology (IT) is the automation of processes, controls, and information production using computers, telecommunications, software and ancillary equipment such as automated teller machine and debit cards (Khalifa 2000). It is a term that generally covers the harnessing of electronic technology for the information needs of a business at all levels.

One of the milestones in the process of BPR for MCB was that, on 26th January 2018, the Bank started Core Banking System (CBS) for a new IT environment that included the implementation of a new centralized core banking system. CBS is a game changer for MCB's transformation, allowing them modern banking capabilities comparable to other banks in regions. This strategic partnership see MCB leapfrog in integrated digital banking solutions for its customers to meet the ever-changing needs of innovative Fintech products and services. Upon completing the implementation, MCB in a position to provide "anywhere and anytime" banking. This effort would encompass branches of the bank that were located in city and suburban areas.

Information and Communication Technology has provided self-service facilities (automated customer service machines) from where prospective customers can complete their account opening documents direct online. It assists customers to validate their account numbers and receive instruction on when and how to receive their chequebooks, credit and debit cards. Communication Technology deals with the Physical devices and software that link various computer hardware components and transfer data from one physical location to another (Laudon and Laudon; 2001).

3.4 Objectives of BPR in MCB

When applying the BPR technique to a bank, the implementation team should focus on the following objectives:

- (a) **Customer focus:** Produce customer service oriented processes aiming to eliminate customer complaints. In the service sector and production department, the customer is the main source of revenue.
- (b) **Customer friendliness:** One of the main goals of introducing BPR is to get a competitive edge, and that can only be gained by providing the customer with something that others in the market are not providing.
- (c) **Speed:** Dramatic compression of the time it takes to complete at ask for key business processes. For instance, if process before BPR had an average cycle time 5 hours, after BPR the average cycle time should be cut down to two hours.
- (d) **Compression:** Cutting major tasks of cost and capital throughout the value chain. By organizing its processes, a company develops transparency throughout the operational level there by reducing cost.
- (e) **Flexibility:** Adaptive processes and structures to changing conditions and competition. By being closer to the customer, the bank can develop awareness

mechanisms to rapidly spot weak points and adapt to new requirements of the market.

- (f) **Quality:** Obsession with the superior service and value to the customers. The level of quality is always consistent and controlled and monitored by the processes, and does not depend mainly on the person, who servicing the customer.
- (g) **Innovation:** Leadership through imaginative change provide a competitive advantage to the organization.
- (h) **Productivity:** Drastically improve effectiveness and efficiency.
- (1) Effectiveness: How effective is the product or service that the bank provides to the customer? If whatever product or service the bank might be providing for the customer is successful, then the customers would automatically want to buy that service again.
- (2) Efficiency: How efficient is the bank at manufacturing the product at the same time as minimizing costs before introducing it to the market? This is one of the questions that are believed to be very important.

3.5 Limitations of BPR Implementation

The limitations are:

- a) BPR is not a panacea to achieve instant competitive advantage.
- b) BPR is not simple or easy to implement. Also it may not be appropriate for all processes for all organizations.
- c) The bank may not be able to invest the time and resources required to implement a radical, clean state approach.
- d) Significant process improvement requires the use of information technology.
- e) Improvement within each functional areas is necessary in addition to improvement in the firm's cross-functional processes.
- f) People who perform the work each day, have the best understanding of the processes they use, and also know to improve them, rather than cross-functional teams or top management.
- g) The core-business processes are designed to satisfy a particular customer need in the one best way particular customer need. Most BPR efforts do not seem to consider what happen if that customer need changes.

3.6 The Challenges and Issues Faced by BPR Implementation

Implementation of BPR initiatives in MCB, have brought forth the following issues and challenges are:

(a) **Improper knowledge of reengineering:** Continuous improvement is concerned with small incremental improvements in business processes. The bank is unable to generate break-through or innovation ideas to change the ways the tasks are being performed at present and bring about dramatic process improvement then the firm's effort to reengineer the process has failed. Even if the firm achieves minor improvement, such process can be implemented, but it should not be considered as reengineering.

(b) **Reengineering too many processes at initial stages:** Top management of an organization may be highly enthusiastic about BPR and may initiate reengineering of too many processes simultaneously. The bank may be carried away by the success stories of its competitors and try to catch up with them as early as possible. This may prompt them to take up many reengineering projects at a time. Even though such initiatives may be appreciable, they are not practicable, because the firm may encounter too many unforeseen problems which may be difficult to resolve when too many processes are taken up for reengineering.

The leader of the reengineering team may not be in a position to devote enough time to guide many process owners and keep track of their activities. Also the computer facilities may not be adequate to handle too many IT-enabled processes. Hence in the initial stages, only a few key processes should be reengineered. The advantages are the leader able to spend enough time to interact with the process owners and offer his suggestions for improvement. The members of the team gain in-depth experience from handling few processes and this useful in the execution of other processes in the future. The team leader and members can sense the attitudes and behaviors of people toward BPR at the initial stages of introducing BPR and they can take necessary steps to motivate people towards BPR and create an environment conducive to BPR.

(c) **Lack of training for process owners and team members:** The bank planning to introduce BPR, should arrange for training programs to members of reengineering team to provide technical skills needed for reengineering a process. Also the training program should stress on transforming task-oriented mind set of trainees to process-oriented thinking. Many BPR projects fail because of inadequate training. Hence the management should give proper attention to train the process owners and BPR team members adequately for the success of BPR.

The trainers must have a fairly clear knowledge of the way the bank works and the attitude of its employee towards change. The training should be focused at changing the attitude of employees towards BPR and change. The training materials should help the participants to relate the inputs of training programs to their organizational environment and the kind of work they are doing. The training programme should include detailed discussion of behavioral issues like team work, creativity, leadership, motivation, organizational culture, communication and the like.

The execution of the training program need not be entrusted to external training organizations, instead, a few core groups of individuals who have been already trained in the training programmes organized by the management using the external training agencies or training

experts may be given the responsibility to act as facilitators for the training programmes conducted companywide. These core group persons (resource persons or groups) need not conduct formal training programmes. Instead they may act as consultants and interact with other employees to highlight the limitations of the existing processes and their adverse effect on the performance of the company, explain the objectives of BPR and the benefits that can be achieved by reengineering the problematic processes and clarify the doubts and the queries of those who are affected by the introduction of reengineering.

(d) **Improper monitoring of reengineered processes:** Reengineering a process requires innovative or break through ideas on which to base the reengineering project. Even though a process or system can be dramatically improved initially, it has a tendency to deteriorate if adequate efforts are not put to maintain and improve the process further (i.e., continuous incremental improvement must succeed break through improvement). This requires proper monitoring of the implementation of a reengineered process. Otherwise there will be an adverse impact on the reengineered process and the benefits may not be significant. If not monitored after reengineering, tend to deteriorate overtime. Hence continuous monitoring is required to maintain the desired level of process performance. This will ensure that the desired performance level is maintained and also adequate effort is put to improve the process further through creative ideas and suggestions. Because people have a tendency to be used to old ways of doing things, it is essential that regular monitoring of the reengineered process is a must. People need to unlearn many of their old practices and adapt themselves to the new ways of performing tasks. Reengineering demands new ways of thinking and doing work.

(e) **Wastage of time due to detailed process analysis:** For process owners and team members to understand the process before reengineering it, detailed analysis of the process is not necessary. A detailed analysis of the process consumes lot of time. But it doesn't mean that the reengineering team members attempt to reengineer a process with superficial knowledge of the process. What they need to understand is the overall knowledge of the tasks and their relevance to the process as a whole. Detailed knowledge of the tasks may condition the thinking of the team members and they may feel that all the tasks are necessary for carrying out the process and therefore, none of the tasks can be modified or eliminated. This kind of thinking is detrimental to generate creative and innovative ideas.

Some managers who oppose BPR insist that the BPR team must carryout a detailed analysis of a process selected for reengineering before they try to change it. But if the BPR team takes up detailed analysis, they will be entangled in that and will not be able to reengineer the process. What is important for the team members is to understand why some tasks are being performed in an existing process and if these tasks are found necessary or relevant, what should be done to improve their execution drastically. A detailed knowledge of how these tasks are performed is not necessary for reengineering the process.

(f) **Fear of failure:** In BPR, failure is not condemned, but celebrated because failure is the stepping stone to success. Fear of failure curbs creativity and innovation. Any drastic change is always associated with certain degree of risk of failure. There is no guarantee that everything works well when a reengineered process is being implemented. There are many uncertainties in BPR. There is lack of past experience while a process is reengineered. Also there is no guarantee that

every person who is involved in the process extend his/her support to the team and cooperate with it. Further the resources needed may not be available in time. The BPR project cannot be planned well in advance like other conventional projects. Because of fear of failure, the BPR team may try to play safe and instead of going for the best solution, they many choose a suboptimal solution, which may be satisfying. This affect the quality of the outcome of reengineering effort.

The BPR team leader has the responsibility of driving out the fear of failure in the team members. Also, the leader should encourage the team members even if they fail in their reengineering venture. He or she should ask the members to investigate the cause of failure instead of questioning them for failure. However, the leader may advise the team members to learn from failure and take necessary action to avoid failure in future.

(g) **Unfavorable organizational environment:** Although the BPR team leader, process owners and members of the reengineering team are committed to the success of BPR projects undertaken by them, if the majority of employees in the firm are skeptical and apprehensive about the success of BPR projects, it is very difficult for BPR to be successful in such firms. Before introducing BPR, the top management must inform all the employees at all levels in the organization that the management is determined to improve many of its existing business processes drastically. Top management should communicate to inadequacies and deficiencies of the existing process to employees to ensure their support for reengineering. Also the management should communicate the benefit of BPR in quantitative terms to the employees.

It is very important that top management convinces middle and junior level managers about the need to reengineer certain business processes because these people are those who are directly affected by BPR. They are apprehensive about BPR bringing in drastic changes such as process-orientation and team based organizational culture, which would result in their loss of power and control. Many middle and junior level managers have reached their present position in management by performing their jobs in the traditional ways and not through process-orientation. Hence they may oppose reengineering covertly. They may not depute their high performing staff for becoming members of BPR teams. Since the whole-hearted support of managers at all levels is essential for the success of BPR, they must be told to change their attitude and accept and support the new initiatives. They must be asked to either change or adapt to the new culture or to quit.

Once the reengineering idea is accepted by middle and junior managers, they must be asked to convince the supervisors and employees at lower levels. This will create a conducive organizational climate which is favorable for introduction and implementation of BPR.

(h) **Delay in achieving results:** If there is undue delay in realizing significant improvements in concrete terms (i.e., measurable improvements), the reengineering initiatives adversely affected. In such cases, people begin to doubt about the capabilities and benefits of reengineering and look at it as a fad. If reengineering takes a very long time to yield the expected or desired results, even the top management may get disappointed and lose interest in reengineering. Hence to overcome this problem, it is advisable to focus on key processes which can be reengineered with little investment and within short time. According to Hammer and Stanton, from the time of starting to think about a process to be reengineered till some concrete benefits are realized, it should not take more than twelve months.

However, this does not mean that the whole new process will be installed and become fully operational within twelve months. On the other hand, it does not mean reengineering can stretch for ever. What is important is that majority of the tasks of the reengineered process operates at high performance level within a period of one year so that, there is enough evidence about the newly designed process actually working well in practice.

(i) **Unsatisfactory appraisal system:** The process owners and BPR team members work hard to reengineer a process and make it a success to meet the expectation of the team leader. They should ensure that the reengineered process should have dramatic improvements over the existing process. To achieve this, they have to work very hard and even work extra hours in office. When the reengineered process is successfully implemented and the results and benefits are dramatic, it is quite natural that they expect rewards proportionately to the efforts they have put and the gains of the organization due to reengineering.

In order to motivate the people who have really worked hard and effected dramatic changes and improvements through their efforts must be correctly assessed by top management. Their performance should not be rewarded in the routine manner by giving them nominal rewards which may not meet their expectations. This will demotivate them and they may not put all their effort' in the subsequent reengineering tasks assigned to them. When high performers are adequately rewarded, they are highly motivated and others also show keen interest in getting involved in reengineering projects. Hence proper performance appraisal and suitable rewards worth the effort of employees will create a favorable altitude in the employees which is conducive to the success of BPR.

The members of reengineering team, process owners and others who contribute significantly to the success of reengineering should not only be rewarded monetarily substantially, but also their contributions should be recognized and appreciated by publishing their performance in house magazines, special functions etc. The members of the BPR team must be appraised by the BPR team leader and not by the heads of the departments from which they have come. It is important that the team members who have achieved drastic improvements and significant financial gain to the organization must be rewarded a percentage of that gain rather than being rewarded with some extra increments in their salary or a promotion in recognition of their performance. The traditional method of rewarding for good performance may not be quite effective.

(j) **Inability to quantify improvement:** Improvement from reengineering must be measured and shown in quantitative terms in order to show its importance (for example, the amount of money saved due to cost reduction by modifying a process). Even then, the improvement should be dramatic quantitatively. Alternatively, if reengineering results in improved communication systems, or improved accounting practices or improved organizational culture, all these improvements cannot be quantified but only expressed quantitatively. These results are interpreted subjective. However, when the reengineered process yields significant quantitative benefits, simultaneously there can be some qualitative improvements such as improved quality of service leading to higher customer satisfaction or improved quality of work life. Such qualitative improvements are also welcome in addition to the quantitative improvements which are the main objectives of reengineering projects.

(k) **Complacency of management:** Top management of some organizations are complacent when the business is going on well and they are not having any concern for reengineering their key business processes. But sooner or later, they may feel the pressure of competition and by the time they realize the need to improve, it may be too late. Hence, some visionary at the top management level may have to take initiative to take up reengineering projects or some junior level manager may act as a catalyst and take initiative to convince top management about the need for taking up reengineering projects.

The middle and junior level managers must exert relentless effort to impress upon the top management about the need for reengineering some of the existing key business processes which are inefficient and nonproductive. This approach is essential for any organization to survive and grow in the face of fierce competition. Two ways of convincing top management about the pressing need for BPR are:(i) Bench marking the firm's key processes with other organizations who are best-in-class.(ii) Bringing to the knowledge of top management the growing customer dissatisfaction due to some of the existing business processes.

Reengineering should not be treated as a one-time improvement process. After achieving dramatic improvements in some of the key business processes, BPR should not be discontinued. Rather, the bank should go into depth of the reengineered processes and also try to reengineer as many key processes as possible and continue to improve the processes already reengineered (i.e., incremental or continuous improvement after break through improvement).Ultimately, the organization should create a process-oriented organizational culture where the focus of every employee should be on the whole process rather than on the specific task performed by him or her, which is a part of the whole process.

(l) **Non-availability of adequate resources:** Even-though a BPR team may suggest an innovative idea to reengineer a process, design and evaluate the process prototype successfully, at the stage of implementation of the reengineered process if adequate resources are not available, the organization cannot realize the benefits of the reengineered process. This would lower the enthusiasm of the team members and demotivate them in their subsequent reengineering projects. When a reengineered process could not be implemented due to lack of funds, those who are opposed to BPR may try to convince others that it is a difficult goal for the bank to achieve because it cannot afford it from financial point of view. In such situations, the BPR leader must ensure that adequate resources needed for BPR projects are made available as and when needed.

The team members must assess the correct requirement of resources for reengineering in terms of technology, man power etc. The resource requirements must be submitted to the BPR leader for approval. The reengineering project must be taken up only after all the needed resources are made available to the BPR team. For example, if an expert has to be released from a department to work as a member of a BPR team, the team leader must ensure that the expert employee is spared by the concerned department head.

(m) **Limited employee awareness:** Process-oriented thinking has to be institutionalized by communicating the message of the need for reengineering the business processes to all the employees of the organization. The employees must realize that the organization needs to conduct its business on the basis of business processes and not the tasks. They should be able to understand the difference between a task and a process. They need to understand their roles in the whole

process and also their roles in implementing the process. BPR concepts should not be restricted to only managerial levels, the supervisors and workers also need to understand the same. They should know how their present tasks are related to BPR concepts because their active involvement is required during the implementation of reengineered processes.

Since the BPR leader cannot meet every employee individually or in groups to make them aware of the concepts and implications of reengineering, he or she can perform the task of making the departmental managers aware of reengineering. These managers in turn meet their supervisors and workers and explain them in detail what is meant by process-oriented thinking and reengineering. Sometimes the help of external experts may be sought to introduce reengineering and conduct awareness programmes to all the employees of the organization in batches of employees.

(n) **Discontinuance of reengineering after achieving bench mark:** In BPR, to start with, the bank may bench-mark its key processes with those of its competitors or other banks which are best-in-class. While it is a correct approach, it is a big mistake if the bank discontinues reengineering once it achieves the bench-mark. The reengineered process may have the capability to exceed the bench-mark and the bank should explore this possibility. Efforts should be put to reach a level above the existing bench mark. To achieve this, the BPR leader is expected to play a key role in motivating his team members to increase the level of the process further.

(o) **Fear of uncertainties:** The major issue in implementation of BPR is the fear of uncertainties as perceived by the employees in the proposed work environment. This may be attributed to the natural human tendency of the fear of uncertainties associated with changed processes and procedures. It is quite natural that the field staff and officials, who are accustomed to doing work in a set manner for years, resist to change, especially in the organizations dealing with financial matters, where a mistake may result in the financial loss leading to administrative action against involved employees. Sometimes the employees have an apprehension about the security and accuracy issues of the new work flow due to BPR. For instance, if in a system, any manual entry made by the employees is verified at two or three more levels, there is a perception that there would not be any mistake. The same entry, if populated on the basis of some external inputs i.e. electronic returns/ forms and requires only the verification, is perceived by the user employees subject to error, if verification tasks are done at one or two levels in the new system. ·

(p) **Vested interest:** Presently, BPR is considered as a synonym of introduction of Information Technology (IT) tools in the business processes. Traditionally, the information control and monitoring mechanism in most of the organizations has been restricted to some individuals only due to the manual processes involved. When BPR is implemented, the systems and process are streamlined and computerized and the information is accessible at all the levels in the organization. The monitoring mechanism at different levels is formulated and communicated to everyone. The transparency and accountability increases at each level. This information is not only accessible to internal monitoring machinery, but is also easily available to the external stakeholders of the organization. This may result into opposition from such individuals which have benefitted from the earlier opaque environment.

(q) **Changed skill set requirement:** In the current business scenario, it is necessary for the organizations to reengineer their business processes to face the competition and to enhance the customer satisfaction. The BPR calls for changes in skill set requirements. As the employees might have been working in the traditional manner for many years, they find it difficult to adjust in the new system. While implementing BPR, the tools and techniques required for data handling demand an intensive knowledge and skills of IT applications. Lack of suitable changes in the training and skill sets of the existing employees is another reason for poor implementation of BPR projects.

(r) **Change in organizational structure:** During BPR implementation, it is inevitable that the new systems and processes replace the manual work. The new systems and processes require redesign of organization structure in which some tasks in work flow may become redundant and require to be eliminated. At the same time, some new tasks in the work flow are created which are more value adding, less time consuming, less expensive and more profitable. Also it is possible that there is a change in roles & responsibilities and authority relationship of the employees. Mostly it requires a fundamental change in organizational structure. This may lead to some apprehensions in the minds of employees about their job security.

(s) **Shortage of skilled manpower:** In government organizations, there is always dearth of IT experts required for almost all kinds of BPR initiatives. In such a situation, the government departments resort to outsourcing of IT work to some agency or hire some contractual IT experts. The takeover of entire technical work by outsourced agency leads to some alienation amongst the existing IT team of the organization. Moreover, in such cases, the employees' turnover in the hired agency affects the implementation process adversely.

(t) **Internal Rivalry:** Before any BPR initiative is planned, mostly the ideas and suggestions are invited from all the employees who are the part of the BPR implementation team or who are directly involved in the present work. Generally after discussing each idea thoroughly, one most feasible idea is approved for implementation. Sometimes it is observed that people find it difficult to accept the idea selected for implementation as they have an affinity for their own ideas which was not accepted. This may affect the level of commitment and efforts they put to implement the selected idea.

CHAPTER IV

ANALYSIS THE CHALLENGES AND PRACTICES OF BUSINESS PROCESS REENGINEERING IN MYANMAR CITIZENS BANK

Myanmar Citizens Bank (MCB), was having a number of branches operating manually with a huge customer base. The customers had several options with the presence of private and foreign banks with their attractive products and service packages. The products offered by these banks lured the customers away from the banks which did not offer them. This set a new trend in banking industry. Retaining the existing customer base and expanding the same became the order of the day. The competition among the banks became very intense.

The leading banks, therefore, quickly shifted their focus by re-engineering their processes to providing prompt, efficient customer service and offering variety of hi-tech banking products/services. For, service sector sustaining long-term customer relationship management (CRM) has become a challenge with almost everyone in the market with similar products. With productivity, efficiency and profit ability gaining currency as a 'mantra' for banks, the pricing of products, be it depositor advance has become more complex.

Information Technology (IT) has basically been used under two different avenues in Banking. One is Communication and Connectivity and other is Business Process Reengineering (BPR). Information technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets.

The objective of BPR initiative is to strengthen Bank's ability to acquire new customers, build lasting relationships with existing customers and increase customer satisfaction through world-class service quality. The BPR project is also to simplify and redesign business processes to fully leverage the Core Banking Solution (CBS) plat form. CBS and BPR together will lead to creation of a new sales and service plat form across the metro and urban branch network. The aim is to improve Bank's performance in key business areas.

4.1 Research Design

The main purposes of this study are to analysis to analysis (1) the objective, challenges and practices of BPR in MCB and (2) to know the employee and customer perception in relation of BPR in MCB. This study used Descriptive analysis method with both primary and secondary data. For Primary data, the study conducted questionnaire and interviewing to 150 MCB customers and 70 employees from sample 10 branches out of 33 Myanmar Citizen Bank branches. For descriptive analysis simple statistical techniques like average score, weighted average, ranking from the survey responses. For Secondary data, are collected MCB's Annual Report , MCB's website, other Internet Websites and Yangon Stock Exchange (YSX) website and other related reports.

4.2 Profile of the Respondents

4.2.1 (a) Employee Profile

First and foremost, it is important to study the demographic characteristics. This section presents about the employee profile surveyed. Gender, Age level, Educational qualification, Designation and Banking service years will be summarized as follow.

Gender Level of the Respondent

According to Table (4.1), represents the results from the analysis of the gender of respondents. From the result of the survey, it was found that survey included 20 number of male and 50 number of female. Regarding to the participant rate, female includes higher position with 71% in the survey.

Table 4.1 Gender Level of the Respondent

Gender	No of Respondents	Percentage
Male	20	29
Female	50	71
Total	70	100

Source: Survey Data, 2018

Age Level of the Respondent

As shown in the table (4.2), the age level of surveyed respondents is categorized in to (5) groups. 23 respondents fall in the age group between 31 to 40 years old followed by 20 respondents who fall in the age group between 20-30 years old. After that 20 respondents is from 41 to 50 years age group and the least 7 respondents from the age group 51 to 60 years old. In term of percentage share, the age group 31-40 has highest percentage share with 33% and the lowest is the age group between 51 and 60 which has only 10%. There are no respondents in less than 20 years and more than 60 years. It is found that the highest numbers of respondents are from 31 to 40 years age group.

Table (4.2) Age Level of the Respondent

Age (Years)	No of Respondents	Percentage
20-30	20	29
31-40	23	33
41-50	20	28
51-60	7	10
61-70	0	0
Total	70	100

Source: Survey Data, 2018

Educational Level of the Respondent

Respondents were further requested to answer their educational background. The education level of surveyed respondents is categorized in to (5) groups. According to table (4.3), it can be seen that 55 respondents from “Graduate”, 10 respondents from “Post Graduate”, 5 respondents from “Master” but there are no one from “Doctorate” and “Other”. From all of the respondents, the most respondent of the study is 79% from “Graduate”

Table 4.3 Educational Level of the Respondent

Education	No of Respondents	Percentage
Graduate	55	79
Post Graduate	10	14
Master	5	7
Doctorate	0	0
Other	0	0
Total	70	100

Source: Survey Data, 2018

Designation of the Respondent

Table (4.4) is the analysis on the designation of respondents which is categorized in to (5) groups, team leader, junior management, middle management and senior management. The highest respondent of the study is 47% "Middle management" 47% and the lowest respondent of the study is 10% "Senior Management " in accordance with survey result.

Table (4.4) Designation of the Respondent

Designation	No of Respondents	Percentage
Team Leader	10	14
Junior Management	20	29
Middle Management	33	47
Senior Management	7	10
Total	70	100

Source: Survey Data, 2018

Banking Service Years of the Respondent

Table (4.5) is the analysis of the banking service years of surveyed respondents, which is ranging from zero to 3years, 4 to 6 years, 7 to 10years and 10 years and above. The highest respondent of the study is 4 to 6 years 47% and the lowest respondent of the study is >10 years 10% in accordance with survey result.

Table (4.5) Banking Service years of the Respondent

Service years	No of Respondents	Percentage
0-3 years	20	29
4-6 years	33	47
7-10 years	10	14
>10 years	7	10
Total	70	100

Source: Survey Data, 2018

4.2.2 (b) Customer Profile

This section presents about the customer profile surveyed. Gender, Age level, Number of years as a customer will be summarized as follow.

Gender level of the Respondent

According to Table (4.6), the survey result is that 54% of total respondents are “Female” and 46% of “Male” who were response to know the perception of consumers in relation of BPR in MCB.

Table 4.6 Gender level of the respondent

Gender	No of Respondents	Percentage
Male	70	46
Female	80	54
Total	150	100

Source: Survey Data, 2018

Age Level of the Respondent

The age level of surveyed respondents are categorized in to (5) groups, ranging from 20-30 years, 31 to 40 years, 41 to 50 years and 51 to 60 years and above 60 years respectively. The most respondent of the study is 30 % 41 to 50 years in which is shown in Table (4.7) in accordance with survey result.

Table 4.7 Age Level of the Respondent

Age (Years)	No of Respondents	Percentage
20-30	25	17
31-40	40	26
41-50	45	30
51-60	25	17
61-70	15	10
Total	150	100

Source: Survey Data, 2018

No of years as a Customer

No of years as customer of surveyed respondents, ranging from less than 5 years, 6 to 10 years, 11 to 15 years and 16 years and above. The most respondent of the study is less than 5 years 53% in which is shown in Table (4.8) in accordance with survey result.

Table 4.8 No of years as a Customer of the Respondent

No of years	No of Respondents	Percentage
Less than 5 year	80	53
6 – 10 years	35	23
11-15 years	25	17
16 years and above	10	7
Total	150	100

Source: Survey Data, 2018

4.3 Employee Perception on Challenges of BPR in MCB

The present paper is focused to explain and analyze the views of 70 sample employee of MCB about the challenges of BPR in selected branches of MCB. Apart from direct interviews with the employee of the bank, a structured questionnaire was executed to know the employee perception on challenges of Business Process Reengineering (BPR) in banks focusing on issues relating to:

- (a) Employee Perceptions on Objectives of BPR
- (b) Practices of BPR implementation

- (c) Challenges of BPR Implementation Faced by Middle and Junior Management
- (d) Challenges of BPR Implementation Faced by Senior Management
- (e) Issues faced by Information Technology Infrastructure

(a) Employee Perceptions on Objectives of BPR

Among objective of BPR implementation in bank is to reduce cost in operation, enhance the customer service as well as speedy operation due to adoption of latest technology which is core banking system (CBS). Efforts are being made to quantify the objective of BPR on employee perceptions by allotting scores (scores were collected on a five-point scale starting from Strongly Disagree to Strongly Agree), and calculating the Weighted Average Score (WS), Average Score (AS) and giving Rank (R) on the result on them, Table 4.9.

Table 4.9 Employee Perceptions on Objectives of BPR

Sr.No	Objectives	Average Score	Rank
1	Cost reduction in operations	2.2	9
2	Accuracy of transactions	3.5	1
3	Speedy operations	2.5	7
4	Better customer services	2.8	6
5	Adoption of latest technology	3.3	2
6	Easy rectification of errors	2.3	8
7	To satisfy existing customers	3.1	4
8	To create new customers	3.2	3
9	To win over competitors	3.0	5
Weighted Average		2.9	

Source: Survey Data, 2018

From the table 4.9 above, it can be seen that Employees Perceptions on the purpose of BPR are varied. Although there is a clear leader AS 3.5 “Accuracy of Transactions” the majority of the Average Scores (AS) are very close. If you remove AS 3.5 “Accuracy of Transactions” at the top and

AS 2.2“Cost Reduction in Operations”, the remainder are, in general, similarly scored. It is also interesting that BPR is not perceived by employees to provide for AS 2.8 Rank 6th“Better Customer Services”, which could be thought of as an important reason for BPR, but is ranked quite highly AS 3.1, Ranked 4th“To satisfy Existing Customers”. This is especially remarkable as “To Create New Customers” was 3rd ranked and had an AS of 3.2. This leads to the assumption that although BPR can be used in getting the new customers through the door, once in, there is confusion as to how BPR can be used to look after them, and therefore retain their custom. The trend for this study indicates and suggests that more needs to be done to educate and train employees so that there is unified vision on what is expected of BPR.

(b) Challenges in Practices of BPR implementation

Myanmar Citizen Bank set up practices for BPR implementation. The survey resulted by employee perceptions on those practices. By allotting scores (scores were collected on a five-point scale starting from Strongly Disagree to Strongly Agree), and calculating the Weighted Average Score (WS), Average Score (AS) and giving Rank (R) on the result on them, Table 4.10.

Table 4.10 Challenges in Practices of BPR Implementation

Sr. No	Practices of BPR Implementation	Average Score	Rank
1	Job Satisfaction on BPR	4.1	2
2	Employee Empowerment	3.1	7
3	Centralized Banking	4.3	1
4	Information Technology Infrastructure	3	8
5	Customer Satisfaction	2.9	9
6	Effective Communication	3.6	5
7	Customer Focus	3.9	3
8	Training and Education	3.4	6
9	Reward and Recognition	3.8	4
Weighted Average		3.6	

Source: Survey Data,2018

From the table 4.10 above, it can be observed that, when it comes to the practices of BPR Implementation in MCB, MCB employees believe that AS 4.3 “Centralized Banking” (Core Banking) is the primary activity that will lead to BPR implementation success. Interestingly, following this is improved AS 4.1“Job Satisfaction” which suggests that personnel believe that BPR must improve

employee contentment at work for it to be executed effectively. It's also interesting to note that one of the key tools used in the transition from one system to another, AS 3.8, Rank 4th "Reward and Recognition" is mid-table in the most important Practices and if this opinion is evident throughout the Bank, it should be more openly endorsed to ensure it remains in focus as an important tool in BPR Implementation. Remarkably, in 5th AS 3.6 "Effective Communication", 6th AS 3.4 "Training and Education" and 7th AS 3.1 "Employee Empowerment" are not seen as instrumental for effective implementation of BPR in MCB. The final two – 8th AS 3.0 "Information Technology (IT) Infrastructure" and 9th AS 2.9 "Customer Satisfaction. Even though IT Infrastructure is the most important for core banking and "Customer Satisfaction" which is require to meet customer demand to achieve a competitive advantage, now they show the least effective implementation tools in MCB.

(c) Challenges of BPR Implementation Faced by Middle and Junior Management

Employee faced challenges and issues in implementation of BPR. BPR itself has limitation in implementation. Respondents of survey by allotting scores (scores were collected on a five-point scale starting from Strongly Disagree to Strongly Agree), and calculating the Weighted Average Score (WS), Average Score (AS) and giving Rank (R) on the result on them, Table 4.11.

Table 4.11 Challenges of BPR Implementation Faced by Middle and Junior Management

Sr. No	Challenges	Average Score	Rank
1	Lack of training for process owners and team members	3.9	5
2	Insufficient preparation times	4	4
3	Improper Knowledge of BPR	4.2	3
4	Improper of monitoring of reengineered processes	3.7	6
5	Initiate many processes at Initial Stages	4.3	2
6	Non-availability of adequate resources	3.3	8
7	Wastage of time due to detailed process analysis	3.7	6
8	Job security	4.5	1
9	Fear of Uncertainties	3	10
10	Unsatisfactory Appraisal System	3.2	9
Weighted Average		3.8	

Source: Survey Data, 2018

From the table 4.11 above it can be seen that the challenges faced by middle and lower level management were majority related to their own job security in the bank after implementation of BPR AS of 4.5. AS 3.0 “Fear of Uncertainties” and AS 3.2 “Unsatisfactory Appraisal System” are of less concern to employees than the likes of “Initiating Many Processes at Initial Stages” with 2th the highest AS of 4.3, 3rd highest AS 4.2 “Improper Knowledge of BPR” and 4th AS 4.0 “Insufficient Preparation Times”. The quite substantial gap in these issues suggests that there are concerns by employees that their ability to implement BPR might be compromised not by issues outside their control but by poor leadership, planning and implementation. It can be seen that the trend from “Greatest Concern” (highest AS) to “Least Concern” (lowest AS) shows, the Bank needs to ensure that thorough preparation, be it improved IT, personnel training or addition process are carried out prior to initiating BPR.

(d) Challenges of BPR Implementation Faced by Senior Management

Senior Management faced challenges and issues in implementation of BPR. Respondents of survey by allotting scores (scores were collected on a five-point scale starting from Strongly Disagree

to Strongly Agree), and calculating the Weighted Average Score (WS), Average Score (AS) and giving Rank (R) on the result on them, Table 4.12.

Table 4.12 Challenges of BPR Implementation Faced by Senior Management

Sr. No	Challenges	Average Score	Rank
1	High cost of BPR Implementation	4	2
2	Training to Employees	3.4	5
3	Non availability of BPR Consultant	4.3	1
4	Fear of Failure by Middle Level Management	3.9	3
5	Delay in Achieving Result	2.9	9
6	Inability of Quantity Improvement	2.1	11
7	Complacency of Management	2.3	10
8	Limited Employee Awareness	3.2	6
9	Shortage of Skilled Manpower	3.7	4
10	Internal Rivalry	3.6	8
11	Change in Organizational Structure	3	7
Weighted Average		3.3	

Source: Survey Data, 2018

From the table 4.11 above it can be observed that the challenges faced by senior management were majority related to “Non availability of BPR Consultant” in the bank during implementation of BPR AS of 4.3. AS 2.1 “Inability of Quantity Improvement” and AS 2.3 “Complacency of Management” are of less concern to employees than the likes of “High cost of BPR Implementation with 2th the highest AS of 4.0, 3rd highest AS 4.2 “Fear of Failure by Middle Level Management” and 4th AS 4.0 “Shortage of Skilled Manpower”. Weighted average is 3.3. The survey can be seen that the trend from “Greatest Concern” (highest AS) to “Least Concern” (lowest AS) shows, the Bank, the most of the challenges are internal challenges. Management needs to ensure that they are carefully plan and implement the BPR exercise.

(e) Issues faced by Information Technology Infrastructure

Information Technology (IT) Infrastructure is one of the major important in implementation of BPR. Respondents of survey by allotting scores (scores were collected on a five-point scale starting from Strongly Disagree to Strongly Agree), and calculating the Weighted Average Score (WS), Average Score (AS) and giving Rank (R) on the result on them, Table 4.13.

Table 4.13 Issues faced by Information Technology Infrastructure

Sr.No	Information Technology Issues	Average Score	Rank
1	Inability of the diverse skills required	3.4	5
2	Data Integrity Problems	3.9	4
3	Unable to cope with Technological Changes	4.2	2
4	Internet Problem	4	3
5	Electricity Disturbances	3.2	6
6	Machine Failure	3.1	7
7	Lack of ICT Infrastructure	4.3	1
Weighted Average		3.7	

Source: Survey Data, 2018

From Table 4.16, it can be observed that issues faced by Information Technology Infrastructure of BPR in MCB score as follows: 3.4 AS "Inability of the diverse skills required", 3.9 AS "Data Integrity Problems", 4.2 AS "Unable to cope with Technological Changes", 4.0 AS "Internet Problem", 3.2 AS "Electricity disturbances", 3.1 AS "Machine Failure", 4.3 AS "Lack of ICT Infrastructure" Total Weighted average is 3.7. The majority of respondents felt that "Lack of ICT Infrastructure" is ranked as a major issue followed by "Unable to cope with Technological Changes", and "Internet Problem". Information Technology works as a soul of BPR. Information technology helps the process of Reengineering to smooth. Due to employee weak knowledge of IT, employee is "Unable to cope with Technological Changes". Core banking systems requires good internet network.in developing country, internet network still the issues in IT infrastructure. However, the survey can also observe that AS 3.1 "Machine Failure" and AS 3.2 "Electricity disturbances" which are lowest issues faced by ICT infrastructure.

4.4 Customer Perception on Challenges of BPR in MCB

The present paper is focused to explain and analyze the views of 150 sample customers of MCB about the impact of BPR on performance of selected branches of MCB. Apart from direct interviews with the customers of the bank, a structured questionnaire was executed to know the perceptions of the consumers in relation to Business Process Reengineering in banks focusing on issues relating to:

- (a) Customer Perception on Challenges of Employee in MCB
- (b) Time spent by the customers while transacting with the bank before and after BPR.
- (c) Customers perception on Challenges of Services in MCB
- (d) Customer Perception on Challenges of Technology in MCB.

(a) Customer perception on Challenges of Employee in MCB

Reengineering in the banking sector affects the employee and employee performance in an organization. Employees are the driving force behind the implementation of every reengineering project in an organization. This is normally achieved through the use of proper training of the employees. The perception of the customers define the confidence customers have in the ability of the banks to resolve the complaints of the customers. The Average Score (AS), Weighted Average (WA) and the Rank (R) are shown in table 4.14.

Table: 4.14 Customer Perception Challenges of Employee in MCB

Sr. No	Challenges of Employee	Average Score	Rank
1	Employees not readily respond to customer complains as reported to them	2.9	4
2	Employees at the bank look not ready to supporting the changes introduced	4.0	3
3	Employees are responsive to customer demands	2.6	5
4	Employees are not well qualified for the job they undertake at the bank	4.6	1
5	Employees not understand the changes introduced at the bank well	4.2	2
	Weighted Average	3.6	

Source: Survey Data, 2018

From Table 4.14, it can be observed that customer perception on challenges , AS of 2.9 was recorded representing 16 percent for how employees are not readily respond to customer complains as reported. 16 percent of respondents accepting that employees are not readily respond to customer complains may be due to the lack of willingness showed by the various staff of the banks in attending to the needs of the customers. The banks can be said to be performing considerably not well on this. Employees at the bank look not ready to supporting the changes introduced. This recorded AS of 4.0 representing 22 percent of the respondents accepting that employees are not readily supports the changes introduced at the bank. Employees can be said to be performing not well in their support of the changes that take place in the bank.

On the issue of employees being responsive to customer demands, AS of 2.6 representing 14 percent of respondents. Due to the challenges rank, this represent in last ranking seem that the employees can be said to be performing well on their level of responding to the demands of the customers. The banks may have put these mechanisms in place to make sure that there is competitive advantage. Employees being not well qualified for the job for the job they undertake in the bank recorded a AS of 4.6 representing 25 percent of the respondents being in favor of it. The banks on can be said to be performing not well on employing the most qualified individuals to undertake the various forms of tasks in the banking hall. As per ranking, this is the first top challenge faced by employee. On customer perception of employees of the bank in undertaking changes that take place in the bank, AS of 4.2 was recorded representing 23 percent of respondents accepts that employees not understand the changes introduced in the bank well. The banks seems to be doing not well introducing their employees to the various forms reengineering projects that take place in the bank. Customers perception may be due to the fact that employees are unable to explain the changes in the bank to them accurately.

(b) Time Spent for Bank Transactions Before and After BPR

One of the important purposes of BPR in the banks is to reduce the time taken for different kind of transactions while serving the customers. It is generally expected that BPR will result in speedy operations which in turn significantly reduce the time taken for completing the bank transactions. Here an attempt is made to understand the extent of time taken for different transactions before and after BPR. The average time taken for the various banking transactions before and after BPR is presented in table 4.15.

Table 4.15 Average time taken for Banking Transactions Before and After BPR

Sr. No	Particular	Before BPR	After BPR	Time Saved	Time Wasted
1	Cash Withdrawal	20	45		25
2	Withdrawal through cheques	20	40		20
3	Deposit of cash	15	10	5	
4	Time spent in opening a new account	30	45		15
5	Obtaining demand draft or pay order	30	25	5	
6	Time spent on updating the pass book	10	8	2	
7	Clearance of local cheques	1day	1day	-	

Source: Survey Data, 2018

Even though it was expected that BPR would result in speedy operations, it has become evident from the above table that after BPR at MCB, only half of banking transactions had resulted in reduced turnaround time for customers, but the other half of banking transactions had not resulted in reduced turnaround time for the customers.

(c) Customers Perception on Challenges of Services in MCB

The aim of evaluating customers perception on the challenges of service of the bank is to understand how the customers perceive the kind of service and how they are being delivered by the banks as a result of reengineering. Their responses have been arranged on a five-point rating scale ranging from Strongly Disagree to Strongly Agree, and the Weighted

Average (WS), Average Score (AS) and Rank (R) calculated from the results. These results can be seen in Table 4.16.

Table 4.16 Customers perception on Challenges of Services in MCB

Sr. No	Challenges of Services	Average Score	Rank
1	My bank cannot delivers fast services to me at the banking hall	4.0	2
2	I am not able to assess multi- service in the banking hall on a single counter	3.7	3
3	My internet banking services works not efficiently	3.2	4
4	Services provided by the bank not meet my satisfaction and expectations	2.9	5
5	The bank has not reduced time spent in the banking hall to assess a service	4.6	1
6	I am not satisfied with the customer service of my bank	2.6	6
7	The entire overhaul in the banks are not satisfactory	2.3	8
	Weighted Average	3.5	

Source: Survey Data, 2018

From Table 4.16, To evaluate customers perception of the service as a result of the reengineering projects in MCB. Customers responds recorded AS of 4.0 representing 17 percent of the respondents. This means that 17 percent of the total respondents accept that the bank cannot deliver fast services to them at the banking hall. This is the 3rd R in service survey. There are many technologies in place which the bank should take advantage of in improving speed with which service could be delivered to customers. A fast delivered service in the bank has the capacity to reduce the time wasted in the banking hall. AS of 3.7 representing 16 percent of the respondents accept that they are not able to assess multi- service in the banking hall on a single counter at the banking hall. If the bank can achieve multi service on a single counter, the bank can reduce queues and also reduce cost in the operations of the bank The ability of customers of banks to assess services on a single counter reduces time spent in the banking hall and enhances satisfaction among customers. AS of 3.2 representing a responds rate of 14 percent accept that MCB internet banking services of the banks work are not efficiently .MCB not generally performing well even though Internet banking services has become one of the major reengineering, banks have seen in recent years. Their ability to enhance self-service reduces the number of times customers go to the banks to assess banking services.

Customers also believe that service delivered by the bank also not meet their expectation and satisfaction. AS of 2.9 was recorded representing 12 percent of respondents. The bank have to

improve the kinds of service being offered their customers to enhance competitive advantage. AS of 4.6 was recorded for not reduced time spent in the banking hall to assess a service by customers. This represents 20 %of the responds. This means that 20 % of the respondents accept that there is not reduced time spent by the customers in the bank when assessing the services of the bank. Customer expect to a reduction in the time spent in the bank means there would be less queues and more customers can be attended to within a short period of time after core banking system. The provision of efficient and good customer service to customers in the banking sector is a prerequisite to achieving competitive advantage.

AS of 2.6 was recorded for customers being not satisfied with the customer service of banks. This represents 11% of respondents. This means that 11 % of respondents are not satisfied with the customer service being provided by their bank.. After the introduction of modern technology, customer expect in the provision of services in the banking sector has to a larger extent enhanced the satisfaction level of customers. AS of 2.3 representing 10% of the customer responds rate accepts that the entire overhaul in the banks is not satisfactory. The bank can be said to be performing not well in totally varying all aspects of the operations and the way in which the banks conducts its business.

(d) Customer Perception on Challenges of Technology in MCB

The use of technology is important in the implementation of every reengineering project in an organization. Customer perception of the technology being used to undertake a reengineering project is important. This is because technology serves as a medium that drives the changes being implemented. The perception of the customer about technology indicates whether or not the organization understands the work processes that ought to be changed to enhance satisfaction and if or not the organization is employing the required IT platform and technology to realized customer expectation and satisfaction (Shin & Jamella,2002). Their responses have been arranged on a five-point rating scale ranging from Strongly Disagree to Strongly Agree, and the Weighted Average (WS), Average Score (AS) and Rank (R) calculated from the results. These results can be seen in Table 4.17.

Table 4.17 Customer perception on Challenges of Technology in MCB

Sr. No	Challenges of Technology	Average Score	Rank
1	Customer faced by internet problem in bank	4.4	2
2	Lack of infrastructure is another impediment for the adoption of new technology in the bank	4.6	1
3	It has to be put a lot of efforts in educating customers to accept the core banking system	3.7	3
4	Core banking system weakening the relationship with customer	3.2	4

5	Technology being used in the banks have not allowed everywhere banking	2.8	5
Weighted Average		3.7	

Source: Survey Data, 2018

From Table 4.17, customers perception on challenges of technology in MCB. Customer responds recorded AS of 4.4 representing 23 percent of the respondents. This means that 17 percent of the total respondents accept that customer faced by internet problem in Bank. Core banking systems requires good internet network which is still the issues in IT infrastructure. AS of 4.6 representing 25 percent of the respondents accept that lack of infrastructure is another impediment for the adoption of new technology in the bank. This is the first rank according to customer survey. These mean that infrastructure is the most challenges of technology in bank for customer. AS 3.7 representing 20 percent of the respondents accept that technology has to be put a lot of efforts in educating customers to accept core banking system. Most of the customers are lack of knowledge of information technology and adopting modern technology is a big challenge for them. AS of 3.2 representing 17 percent of the respondents accept that core banking system is making weaken the relationship with customer. Response on the fact that technology being used in the bank have not allowed everywhere banking, recorded AS of 2.8 representing 15 % of respondents. This means that 15% of the respondents accepts that technology have not allowed them to assess the banking services everywhere they find themselves. This may be due to the level of technology employed in the change process which allows customers control over their accounts and their ability to use the banking services anywhere the need arises.

CHAPTER V

CONCLUSION

This chapter is the conclusion of the study based on findings from analysis of challenges faced by Myanmar Citizens Bank (MCB) in the implementation of Business Process Re-engineering (BPR) and gives some relevant suggestion for the development of BPR.

5.1 Findings

Business Process Reengineering will only be successful if the activities in which the processes are based are directly related to the needs and objectives of the business. Business Process Reengineering has helped in the achievement of the organization over-all objectives. Reengineering which is a situation when a business organization is transforming process that together form a component of a layer system aimed at enabling organization to empower themselves with contemporary technologies discontinues, increasing environmental uncertainties, business managers have a big challenge of making the right strategic choice and setting their strategic priorities in order to allocate their resources to different functions in an efficient manner for business success. Most of the aim of reengineering a business performance is to redesign the existence of business practices in order to achieve improvement in performance.

Analysis of BPR implementation found that employees have improper knowledge of reengineering. At present, MCB employees are unable to generate break-through or innovative ideas to change the ways the tasks are being performed in order to bring about the dramatic process improvement. If this continues, then the Bank's efforts to reengineer the process will have failed. Even if the firm achieves minor improvement, such process can be implemented, but it should not be considered as reengineering.

Finding show bank have lack of capability in IT knowledge, IT operations, IT objects, and IT infrastructure. The finding show these banks have capability in IT knowledge, IT operations, IT objects, and IT infrastructure. Lin (2007) believed that IT capability forms the basis of competition for firms in information-intensive industries like banking, retailing, and high-tech manufacturing. Furthermore, these results align with the resource-based view where IT capability as the valuable resource may lead to superior performance. Finding indicates that IT capability is one of most important strategic resources for bank in information intensive industries such as the bank and other financial institutions.

Another finding was that under the name of Reengineering, management may try to initiate too many processes too soon during initial stages. Management of an organization may be highly enthusiastic about BPR and may initiate reengineering of too many processes simultaneously. The Bank may be carried away by the success stories of its competitors and try to catch up with them as early as possible. This may prompt them to take up many reengineering projects at a time. Even though such initiatives may be appreciable, they are not practicable, because the firm may encounter too many unforeseen problems which may be difficult to resolve when too many

processes are taken up for reengineering. The leader of the reengineering team may not be in a position to devote enough time to guide many process owners and keep track of their activities. Also the computer facilities may not be adequate to handle too many IT-enabled processes. Finally, Lack of training for process owners and team members:

The firm planning to introduce BPR, should arrange for training programs to members of reengineering team to provide technical skills needed for reengineering a process. Also the training program should stress on transforming task-oriented mind set of trainees to process-oriented thinking. Many BPR projects will fail because of inadequate training. Hence Management should give proper attention to train the process owners and BPR team members adequately to ensure the success of BPR. The trainers must have a fairly clear knowledge of the way the bank works and the attitude of its employee towards change. The training should be focused at changing the attitude of employees towards BPR and change.

The training materials should help the participants to relate the inputs of training programs to their organizational environment and the kind of work they are doing. The training programme should include detailed discussion of behavioral issues like team work, creativity, leadership, motivation, organizational culture, communication and the like. In the beginning of the training program, the tentative action plans for reengineering a chosen business process must be prepared. In this action planning exercise all the participants must be actively involved.

5.2 Suggestions

One general conclusion that can be drawn from this paper is that Business Process Reengineering entails the critical analysis and radical redesign of existing process to achieve breakthrough improvements in organizational performance cannot be doubted. Interestingly, the paper shows that business process reengineering requires innovations and organization such as people, employees, business, technology etc. Finally, Business Process Reengineering has become a useful weapon for any corporate organizations that are seeking improvement in their current organizational performance and intends to achieve cost leadership strategy in its operation industry and environment. Reengineering process remains an effective tool for organizations striving to operate in the competitive world; organizations are required to re-engineer their business process in order to achieve breakthrough performance and long-term strategy for organizational growth.

In conclusion, below are suggestions that may assist MCB to implement BPR and to make it a success:

Training can reduce fear of uncertainties and can handle vested interests up to a certain extent. The training needs and the skill development requirements are to be revisited considering the following key points. The existing staff should be trained in new skills required under the envisaged changes in the environment. The training should not only teach the staff and officers about the new processes but also the change being made in the ecosystem to make it more acceptable. Before implementing BPR, all the stakeholders of the organization should undergo a comprehensive training programme covering both technical and operational aspects of BPR initiatives. During the training programme, the employees and users of the organization should be explained the benefits of BPR initiatives in terms reduction in cost, reduction in wastage,

convenience, increased profitability and reduction in cycle time. Hands on training must be provided to the employees so that they can understand and visualize the new work flow vis-à-vis the old work flow by working on the new system to address their concerns related to security and accuracy of the new system. The focused training is to be provided wherein each small tasks in the new work flow is explained to the user employees in great detail. A detailed operating manual with complete instruction sets and screen shots should be provided to the employees for better understanding of any IT-enabled BPR initiatives. Regular follow up after training to ensure personnel have achieved the bank's aims Awareness camps and a dedicated helpline should also be organized for the employees as well as users.

Leadership is an vital element of BPR. The leader in BPR should be visionary as well as administrator. He should have clarity of vision as well as the strategies to reach that vision. BPR calls for a committed leadership, which can motivate the employees towards achievement of BPR goals. He should be impartial to the team members and should recognize the ideas given by any team member. The leader should have passion and strong commitment towards organizational goals. Many ideas are generated as a result of brainstorming sessions related to BPR and it may not be possible to accept all the ideas while implementing BPR. This is role of the leader to explore each idea in greater detail and persuade the other team members about the idea selected as the team members may be emotionally connected with the idea given by them. The role of the leader is to convince the team members for accepting the one best idea which is aligned with the organization's vision.

Finally, the bank should understand the importance of IT investment and IT capability in business related processes. The bank important to improve the bank's ICT infrastructure.

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APPENDIX

EMPLOYEE QUESTIONNAIRE

THE ANALYSIS OF THE OBJECTIVE, PRACTICES, ISSUES AND CHALLENGES OF BUSINESS PROCESS ENGINEERING IN MYANMAR CITIZEN BANK

This project is conducted as part of a requirement of the Masters of Banking and Finance Programmed in Yangon Institute of Economics (YUE). The primary objective of this project is to analysis the objective, practices and challenges of business process engineering in Myanmar Citizen bank (MCB)

Section A: Demographic Characteristics

1. Gender (Tick where appropriate)

No	Gender	Tick
1	Male	
2	Female	

2. Age (Tick where appropriate)

No	Age	Tick
1	20-30	
2	31-40	
3	41-50	
4	51-60	
5	61-70	

3. Educational Qualification (Tick where appropriate)

No	Educational Qualification	Tick
1	Graduate	
2	Post Graduate	
3	Master	
4	Doctorate	
5	other	

4. Designation (Tick where appropriate)

No	Designation	Tick
1	Team Leader	
2	Junior Management	
3	Middle Management	
4	Senior Management	

5. Banking Service years in MCB (Tick where appropriate)

Service years	No of Respondents	Percentage
0-3 years	20	29
4-6 years	33	47
7-10 years	10	14
>10 years	7	10
Total	70	100

Section B: Objective, Practices, Challenges and Issues

6. Objective of BPR -Employee perceptions. Please mark your responses on a scale of 1 to 5 (1: Strongly Disagree; 5: Strongly Agree)

		1	2	3	4	5
S.No	Objective	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Cost reduction in operations					
2	Accuracy of transactions					
3	Speedy operations					
4	Better customer services					
5	Adoption of latest technology					
6	Easy rectification of errors					
7	To satisfy existing customers					
8	To create new customers					
9	To win over competitors					

7. Challenges in Practices of BPR implementation .Please mark your responses on a scale of 1 to 5 (1: Strongly Disagree; 5: Strongly Agree)

		1	2	3	4	5
S.No	Practices	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Job Satisfaction on BPR					
2	Employee Empowerment					
3	Centralized Banking					
4	Information Technology Infrastructure					
5	Customer Satisfaction					
6	Effective Communication					
7	Customer Focus					
8	Training and Education					
9	Reward and Recognition					

8. Challenges of BPR Implementation Faced by Middle and Junior Management
Please mark your responses on a scale of 1 to 5

(1: Strongly Disagree; 5: Strongly Agree)

		1	2	3	4	5
No	Challenges and Issues	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Lack of training for process owners and team members					
2	Insufficient preparation times					
3	Improper Knowledge of BPR					
4	Improper of monitoring of reengineered processes					
5	Initiate many processes at Initial Stages					
6	Non-availability of adequate resources					
7	Wastage of time due to detailed process analysis					
8	Job security					
9	Fear of Uncertainties					
10	Unsatisfactory Appraisal System					

9. Challenges of BPR Implementation Faced by Senior Management

Please mark your responses on a scale of 1 to 5

(1: Strongly Disagree; 5: Strongly Agree)

		1	2	3	4	5
No	Challenges and Issues	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	High cost of BPR Implementation					
2	Training to Employees					
3	Non availability of BPR Consultant					
4	Fear of Failure by Middle Level Management					
5	Delay in achieving result					
6	Inability of quantity improvement					
7	Complacency of Management					
8	Limited employee awareness					
9	Shortage of Skilled Manpower					
10	Internal Rivalry					
11	Change in Organizational Structure					

10. Issues faced by Information Technology Infrastructure Please mark your responses on a scale of 1 to 5

(1: Strongly Disagree; 5: Strongly Agree)

		1	2	3	4	5
No	Challenges and Issues	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Inability of the diverse skills required					
2	Data Integrity Problems					
3	Unable to cope with Technological Changes					
4	Internet Problem					
5	Electricity Disturbances					
6	Machine Failure					
7	Lack of ICT Infrastructure					

APPENDIX
CUSTOMER QUESTIONNAIRE
THE ANALYSIS OF CHALLENGES OF BUSINESS PROCESS
ENGINEERING IN MYANMAR CITIZEN BANK

Objectives

This project is conducted as part of a requirement of the Masters of Banking and Finance Programmed in Yangon Institute of Economics (YUE). The primary objective of this project is to view the customer's perception on challenges of Business Process Engineering (BPR) in Myanmar Citizens Bank (MCB).

Section –A: Demographic Characteristics

1. Gender (Tick where appropriate)

No	Gender	Tick
1	Male	
2	Female	

2. Age (Tick where appropriate)

No	Age	Tick
1	20-30	
2	31-40	
3	41-50	
4	51-60	
5	61-70	

3. No of years as a Customer (Tick where appropriate)

No	No of years	Tick
1	Less than 5 year	
2	6 – 10 years	
3	11-15 years	
4	16 years and above	

4. Customer Perception on Challenges of Employee in MCB

Sr. No	Challenges of Employee	1	2	3	4	5
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Employees not readily respond to customer complains as reported to them					
2	Employees at the bank look not ready to supporting the changes introduced					
3	Employees are responsive to customer demands					
4	Employees are not well qualified for the job they undertake at the bank					
5	Employees not understand the changes introduced at the bank well					

5. Customers Perception on Challenges of Services in MCB

Sr .No	Challenges of Services	1	2	3	4	5
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	My bank cannot delivers fast services to me at the banking hall					
2	I am not able to assess multi- service in the banking hall on a single counter					
3	My internet banking services works not efficiently					
4	Services provided by the bank not meet my satisfaction and expectations					
5	The bank has not reduced time spent in the banking hall to assess a service					
6	I am not satisfied with the customer service of my bank					
7	The entire overhaul in the bank are not satisfactory					

6. Customers Perception on Challenges of Technology in MCB

Sr.No	Challenges of Technology	1	2	3	4	5
		Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	Customer faced by internet problem in bank					
2	Lack of infrastructure is another impediment for the adoption of new technology in the bank					
3	It has to be put a lot of efforts in educating customers to accept the core banking system					
4	Core banking system weakening the relationship with customer					
5	Technology being used in the banks have not allowed everywhere banking					