AN INVESTIGATION OF THE EFFECTS OF BUSINESS PROCESS REENGINEERING ON EMPLOYEE MORALE IN BANKING SECTOR:

A case study of

Co-operative bank of Kenya

BY

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An investigation of the effects of business

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DECLARATION

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This project has been submitted for examination with my approval as university supervisor.

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Chairman's approval

This project has been submitted for examination with my approval as the chairman.

Signature: ___________________________ Date: 24/05/13

MuatheSMA (PhD.)
Chairman, Department of Business Administration
DEDICATION

I dedicate this work to my family especially my wife Felista, my daughter Adwen, dear parents for their inspiration, for the financial support and encouragement to carry out this research project.
ACKNOWLEDGEMENT

It is a pleasure to thank the many people who made this work possible. I sincerely acknowledge the invaluable and tireless counsel, commitment, encouragement and commendable support of my supervisor Mr. Nzulwa for his guidance and instructive feedback that helped me to complete this work. I also wish to thank my family for providing a loving environment for me.

Last but not least, I owe my appreciation to the management and staff of Cooperative Bank of Kenya for their commitment and support by providing me with an opportunity to carry out my research proposal in their esteemed organization without much difficulty.
ABSTRACT

The study focuses on the effects Business Reengineering Process on employee morale in banking sector in Kenya with specific reference to Cooperative Bank of Kenya in Nairobi branches was studied. Business Process Reengineering has since been an organizational change and great challenge in many financial institutions. This is because during organizational redesign or restructuring, BPR process faces a lot of resistance from employees, employee turnover may be experienced and ultimate resulting to demoralized employees. The general objectives of the research were to examine the effect of business process reengineering on employee morale in banking sector. The specific objectives of the study were to establish the effects of organizational leadership, information technology, effective communication, and training and reward systems on employee’s morale through BPR in banking sector in Kenya. The study used descriptive research design because it dealt with the aggregate of all responses using descriptive statistics such as mode, percentages, mean and frequency distribution through self administered questionnaires and stratified random sampling procedure selected the sample that represented the entire population. The stratified random sampling was used because the population was heterogeneous and was considered even subgroups. The researcher targeted 1230 employees from the three levels of management of all the Nairobi branches and a sample size of 333 respondents. Questionnaire administration personally and via email was the main method of data collection. Then the results were analyzed by use of both qualitative and quantitative techniques. Results were analyzed qualitatively by data being cleaned, coded and narrative explanation given. Quantitative data analyzed quantitatively by use of tables, charts and interpretive will be derived thereof for easy interpretations.

The study found that the five mentioned factors such as, organizational leadership, information technology, effective communication, training and reward system was the effects of business process reengineering on morale of employees in the banking sector in Kenya. It was concluded that that customer care should be considered when sourcing banks materials, technology adopted can influence the banks to improve sourcing through efficiency and effective means. It was concluded that organizational leadership can affect the morale of employees through during business process reengineering, information technology should be used if successful morale is to be achieved, effective communication in the organization Morales most of the employees when changes are taking place. Training is important for employees morale, reward systems should be considered when having business reengineering for morale.

The study recommends that better leadership should be adopted in banking sector, information technology should be incorporated into the business which is having changes, flow of information should be accessible to all employees. It also recommends that training employees makes it easy for them to stay long in the organizational changes because of morale building. Better rewards should be adopted when re engineering is taking place.
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<tr>
<td>ATM</td>
<td>Automated Teller Machine</td>
</tr>
<tr>
<td>BPR</td>
<td>Business Process Reengineering</td>
</tr>
<tr>
<td>CBK</td>
<td>Central Bank of Kenya</td>
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<tr>
<td>HRM</td>
<td>Human Resource Management</td>
</tr>
<tr>
<td>ICT</td>
<td>Information Communication Technology</td>
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<tr>
<td>IT</td>
<td>Information Technology</td>
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<tr>
<td>KU</td>
<td>Kenyatta University</td>
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<tr>
<td>UK</td>
<td>United Kingdom</td>
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<td>USA</td>
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# OPERATIONAL DEFINITION OF TERMS

<table>
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<th>Term</th>
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<tr>
<td>BPR</td>
<td>A business management strategy, focusing on the analysis and design of workflows and Processes within an organization.</td>
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<tr>
<td>Communication</td>
<td>The activity of conveying information from one person to another. It’s derived from Latin word “communis” meaning to share. It requires a sender; a message and an intended recipient.</td>
</tr>
<tr>
<td>Culture</td>
<td>The realities, values, symbols and rituals held in common by members of an organization and which contribute to the creation of norms and expectations of behaviour.</td>
</tr>
<tr>
<td>Leadership</td>
<td>A kind of method and capability aimed at realizing organizational targets and further affect all organizational activities.</td>
</tr>
<tr>
<td>Morale</td>
<td>The mental and emotional condition (as of enthusiasm, confidence, or loyalty) of an individual or group with regard to the function or tasks at hand</td>
</tr>
<tr>
<td>Reward System</td>
<td>Is an objective to describe the positive value and individual ascribes to an object, behavioral act or an internal physical state.</td>
</tr>
<tr>
<td>Technology</td>
<td>Storing, manipulating, distributing and processing information in support of all business operations.</td>
</tr>
<tr>
<td>Training</td>
<td>The acquisition of knowledge, skills and competencies as a result of teaching of vocational or practical skills and knowledge that relate to specific useful competencies.</td>
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CHAPTER ONE

INTRODUCTION OF THE STUDY

1.1 Introduction

This chapter presents the background of the study, the profile of Cooperative Bank of Kenya, statement of the problem, research objectives both general and specific research questions, significance of the study; the study limitations and the scope of the study.

1.2 Background of the Study

Business process re-engineering is the analysis and design of workflows and processes within an organization. According to Davenport and Short (1990) a business process is a set of logically related tasks performed to achieve a defined business outcome. Re-engineering is the basis for many recent developments in management. The cross-functional team, for example, it has become popular because of the desire to re-engineer separate functional tasks into complete cross-functional processes. Also, many recent management information systems developments aim to integrate a wide number of business functions. Enterprise resource planning, supply chain management, knowledge management systems, groupware and collaborative systems, Human Resource Management Systems and customer relationship management.

Leading organizations are becoming bolder in using this technology to support innovative business processes through motivated working force, rather than refining current ways of doing work. Business process re-engineering (BPR) began as a private sector technique to help organizations fundamentally rethink how they do their work in order to dramatically improve customer service, cut operational costs, and become world-class competitors. A key stimulus for re-engineering has been the continuing development and deployment of sophisticated information systems and networks. Leading organizations are becoming bolder in using this as a way of ensuring there is the required work force, motivation means are achieved (Druke, 2004).
BPR applicability in corporate restructuring helps to increase profits, increased market share, improving employee participation and morale. To remain viable in the market an organization must have a dedicated employees through motivational strategies. BPR is geared towards motivating employees through different work flows, transforming corporate cultures to improve mission delivery, performance and growth prospects, redesigning decision making authority and revamping the mechanisms for motivating and rewarding employees (Amstrong, 2000).

The key employee’s morale is critical to the long term health and success of any business. Managers readily agree that their role is key in retaining and motivating the best employees to ensure business prosperity. If managers can cite this fact so well, why do many behave in ways that so frequently encourage great employee to quit their job? By redesigning an organization ensures that every level of management is well represented in the organization through open communication, better organizational structure. This is what gears motivation of employees by increasing morale (Davison and Molynex, 2006).

BPR, however, is more than just business improvising; it is an approach for redesigning the way work is done to better support the organization’s mission and reduce costs. Reengineering starts with a high-level assessment of the organization’s mission, strategic goals, and the employee’s welfare towards the mission and customer needs. Basic questions are asked, such as "Does our mission need to be redefined? Are our strategic goals aligned with our mission? Are our employees satisfied with the mission in support of achieving its goals?" (Elijah, 2005).

In order to achieve the major improvements BPR is seeking for, the change of structural organizational variables, and other ways of managing employees and performing work is often considered as being insufficient. For being able to reap the achievable benefits fully, the use of information technology (IT) is conceived as a major contributing factor, the employees also follow as drivers of the organization. In many organizations there has been no morale by employees because of non integration of IT in the systems. BPR success derives its existence from different disciplines, and four major areas can be
identified as being subjected to change in BPR - organization, technology, strategy, and people

According to Cary and Narayan (2007) stated that people work better and are improved their morale in an organization when the work environment, organizational structure, policies, tools and equipment are designed to help them. All these plans are achieved through Business Reengineering Process. Employees are the lifeline of an organization and contribute effectively to its successful running and profit making. Every organization invests time and money to groom the new employees and retain the existing ones. Unless an organization restructures; demotivated and unsatisfied employees will be of great negative impact to the success of such a business. Organizations should use BPR in order to improve the motivational level of employees.

Since 18th century motivation has been pointed to increase morale and has had a direct and causal relationship with employee’s needs and motivation theory model, such as Maslow’s hierarchy of needs which is an effective way of identifying effective retention protocol. Each of the five tiers of Maslow hierarchy of needs refers to optimal retention strategy. Since Maslow’s introduction of his motivation model, organizations have been employing strategies attempting to stimulate each of the humanitarian needs. Organizations are attempting to fulfill the Maslow model through restructuring and redesigning methods to ensure that every employee is satisfied with his or her work through these BPR procedures (Abraham Maslow, 1954).

Every organization invests time and money to groom new employee, make him or her corporate ready material and bring at par with the existing employees. The organization is completely at loss when the employees leave their job once they are fully trained. Employee motivation takes into account the various measures taken so that an individual stays in an organization for the maximum period of time. Employee morale is the most critical issue facing corporate leaders as a result of shortage of skilled labor; economic growth and employee turnover when the BPR is effected. Exploration of all aspects of work force stability issue in the face of unprecedented churning in the employment market with a focus on impacting on morale (Brown, 2007).
A study done in USA to determine whether Business Reengineering Processes have any impact on employees morale on organizations that implement it, found that BPR is a key component which improves employees morale through organization structure, policies to support goal attainment. It also found that employee’s morale through BPR processes is as a result of leadership decision making process, unity of command, division of labor, span of control, job design, team effectiveness, communication, reward and incentives. This indicates those organizations which don’t use BPR in their operation face a very hard time especially in the dynamic environment. This is a challenge for organizations in order to improve productivity and employees morale as the employees are the heart of an organization (Amstrong, 2000)

1.2.1 Profile of Cooperative Bank of Kenya

Cooperative bank of Kenya is a commercial bank of Kenya licensed by Central Bank of Kenya (CBK) the national banking regulator. It is a large financial service institution as of December 2011. It was the third largest financial services provider by asset value, behind Kenya Commercial Bank, and Barclays Bank of Kenya.

The bank was established in 1965, initially as a cooperative society. The banking license was granted in 1968. It was Incorporated in Kenya under the Cooperative Society Act and licensed to do the business of banking under the banking Act. The Kenya Government directed all cooperative societies in the country to transfer their deposits to the cooperative bank of Kenya and that all cooperatives buy the banks shares, the bank exist to provide a superior financial services primarily to the cooperative movement and other selected customer segments through an established country wide network within Kenya in socially responsible yet profitable manner. It opened its first subsidiary cooperative finance limited. In 1989 the bank converted to a fully fledged commercial bank. It has values which guide general public which include integrity, transparency and accountability, customer service, team work, democracy, innovativeness and environmental sustainability. There exist strategies on how to improve motivation of employees through BPR strategies. The improved communication which has led to better dialogue, the reward systems being worthwhile, better management styles, improved security for employees feeling safe to continue to work with the company. All this
strategies are aimed at achieving the best competitive advantage in the market by providing the best services ever.

The bank has undertaken various BPR projects with an aim of restructuring itself along the process lines. This has been achieved through removing functional barriers and accommodating a balance between functional expertise and process involvement which has been possible by offering centralized banking, reducing a lot of paper work, installation of ATM machines; introduction of cheque deposit boxes, implementation of home banking system, upgrading of the core banking system, the bank master and redesigning of the banking halls. As a result of undertaking reengineering projects, there has been an improvement in measures of performance such as quality service and speed. This has been possible because the management has been able to identify the process that are central to its business and also by finding ways and means of improving such processes. Cooperative Bank is in line with Davenport and Short (1990) who defined BPR as the analysis of work flow and processes within and between organizations.

1.3 Statement of the Problem
The Business Reengineering Process has contributed much to the growth of the banking industry and the economy in Kenya. This has given organizations a better working environment for employees and the customer’s satisfaction as a result of better bargaining power and subsequently better services. Over a period of years, there have been major problems over the employee’s morale in many financial organizations. The introduction of Business Reengineering processes has demotivated many of the employees due to introduction of business systems that employees are not conversant with making them work in hostile environment. In the year 2003, Cooperative Bank undertook BPR projects with the aim of restructuring itself along process lines. This led to staff resistance on the change and complains because the BPR introduction was unexpected and employees unaware. This was due to many problems encountered by this banking institution in achieving efficiency and effectiveness in its operations as a result of leaders were focusing on their own self gain. This led to the employees seeking alternatives from other financial firms like equity bank because they felt exploited by being given bad incentives
which led to low morale and labour turnover during that restructuring period. (Business Journal, 2008) According to Financial Times (2009) established that financial firms have not introduced training programmes for employees in readiness for organizational change. It’s the responsibility of a firm to train employees and when there is no training for an organization work force there comes a big problem in its performance, employee morale and productivity.

There have been several studies conducted on employees’ morale. However, there is no known extensive study that has been done on effects of Business Process Reengineering on employees’ morale in financial institution in Kenya hence a knowledge gap. This study seeks to bridge this gap by determining the effects of business Reengineering processes on employees’ morale in financial organizations in Kenya by doing a case study of Cooperative Bank of Kenya.

1.4 Objectives of the study

1.4.1 General Objective
The general objective of this study was to examine the effects of Business process Re-engineering on employee’s morale in banking sector in Kenya.

1.4.2 Specific Objectives
The specific objective of the study was to;

(i) Examine the effect of Organizational leadership on the employee morale in banking sector.
(ii) Investigate the effect of information technology on the employee morale in banking sector.
(iii) Find out the effect of effective communication on the employee morale in banking sector.
(iv) Examine how Training affects employee morale in banking sector.
(v) Determine the effects of reward systems in employee morale in banking sector.
1.5 Research Questions

(i) What role does Organizational leadership play on the employee morale in banking sector?

(ii) To what extent does information technology affect the employee morale in banking sector?

(iii) What is the effect of effective communication on the employee morale in banking sector?

(iv) What role does training play on the employee morale in banking sector?

(v) To what extent does reward system affect employee morale in banking sector?

1.6. Significance of the Study

The finding of the study will be of benefit to the following stakeholders:

1.6.1 The Management of Cooperative Bank of Kenya

Once the issues, problems and challenges impacting on the employee morale are brought to the management, it can be in a position to evaluate them and focus on the strategies aimed at attaining higher effectiveness and efficiency so as to improve on the employee related problems. The management will also know how good it is to have BPR procedure in the time of business operation.

1.6.2 Other Banking Institutions

The study findings would be used by other related organizations to know the areas that need more attention in terms of employee morale strategies by use of Business Process Reengineering. This will enable them to be competitive enough in providing basic requirements for employees to be satisfied in firm’s change thus improving the overall productivity of the organization due to dedicated employee’s services. The findings are also expected to open up room for adopting change through restructuring and redesigning organizations in the new era of technology so as to be of benefit to employees, customers and the organization.
1.6.3 Other Researchers

Other researchers can use the findings of the study for reference. It can help them in future as a source of secondary data when researching on related fields in different areas of interest.

1.7 Limitations of the Study

1.7.1 Lack of Cooperation

The researcher was unable to collect all the required information since some of the respondents were uncooperative to the extent that they refused to offer the information and therefore some questions were not be answered. Some of them feared victimization yet others thought that their time will being wasted thus affecting the accuracy of the results. The researcher gave them more time to fill the questionnaire. The researcher later collected the questionnaire and used fully filled ones for the analysis.

1.7.2 Confidentiality

Some respondents feared of their privacy. The confidentiality of the questionnaires was guaranteed, thus respondents were not worried that the information is to be leaked. This encouraged them to respond honestly.

1.8 Scope of the Study

The study was carried out to analyze the effects of Business Process Reengineering on employee’s morale in banking sector in Kenya. The study was confined within the Cooperative Bank of Kenya branches which are located in Nairobi County because mostly the three level of management were found in Nairobi which provided adequate data for the research study, the place was very accessible that its easy to go and collect data. Nairobi county also contains many branches than any other county thus making data collected reflect the BPR problem in banks country wide. The BPR issues on Employee morale focused on this study were limited to the top management, middle level management and operational staff of Cooperative Bank of Kenya. The study took a period of nine months from June 2012 to April, 2013.
1.9 Assumption of the study

The study made assumption that business process re-engineering is a challenge to all other Cooperative bank branches in Nairobi and other banks and the research is genuine and that vital solution was arrived at.
CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction
In this chapter, literature which is related to and consistent with the objectives of the study is reviewed. Important theoretical and practical problems are brought out, relevant literature on the aspects pertaining to the effects of BPR on employees morale in banking sector in Kenya. This chapter covers past studies, critical review, summary highlighting key issues raised in the study and the conceptual framework of the study.

2.2 Review of Theoretical Literature
There have been numerous researches done in this area of Employee morale by use of BPR techniques and the factors that affect it. Various attempts by different authors and scholars have attempted to seek out how different BPR factors impacts on Employee morale.

2.2.1 Organizational Leadership
Leadership style is the manner and approach of providing direction, implementing procedures and plans and motivating people. For better business process reengineering leadership it is almost as variable as unique and is based on the strengths, weaknesses, needs, beliefs. The bottom line is that an organization is made up of people who have certain beliefs. Excellent in leadership behaviour begins with understanding these attributes of the followers. For organizations like banks, needs a competitive leadership skill to attain to the desired employee motivation. (Davenport, 1998)

According to Tom Peters (2003), business reengineering executive with passion for transforming business processes should implement a positive culture change. A natural collaborator with the demonstrated ability to achieve results through influence and direct leadership. Successful track record of leading improvements initiatives across a board range of assignments including new product developments, sales, supply chain management and engineering, extensive background in improvement methodologies such as Business process reengineering, strategic planning, total quality management
and change management are related to better organizational leadership.

According to Zack and Banks (2008) for efficiency and effectiveness in an organization the organizational leadership should be integrated by use of BPR techniques. Experts have done it for years and have been successful. Reengineering is too good to be new. A contemporary repackaging of tried and true industrial engineering methods is a cure to business leadership. Those leaders applying the label of efficiency through reengineering advocate adoption of radical means to corrective actions. This actions should be strategized by involving every employee in the organization.

According to Flambot (1999) excerpted form the role of leadership in BPR as an empirical study of the relationship between leadership behaviour the reengineering outcome. Unlike some other leadership framework, leadership effectiveness framework does not assume that, for some leaders their sole source for influencing behaviour is a contingent rewards. That is rewards given with good behaviour and punishments given for bad. The effective leadership through BPR framework (Covert, 1997) defines leadership as the process where by an individual influences the behaviour of people in a way that increases the productivity that they will achieve organizational goals. This process involves understanding, predicting and controlling others.

In any organization, corporate efficiency is achieved through business processes and is bench marked by the performance of a fully functioning team. However the current work place is made up of people who come from varied backgrounds. Effective leadership at all levels in any organization is important to sustain employee’s morale, productivity, good customer service, leadership is everyone’s responsibility. In today’s organization setting, employees are expected to demonstrate initiative in preparing themselves to assume a leadership role. The study performed by registered nurses in US to trace the effects of BPR manager leadership characteristics on its staff morale found that the organizational leadership in an organization contributes greatly on employee morale. Effects of manager characteristic were traced to motivation through work characteristics such as job stress, job satisfaction, commitment and intent to stay.
Business process optimization is at the center of the agenda for many businesses today. In the past, efficiency may have been code language for layoffs and cutbacks – a strategy of doing less with less until the business cycle recovered and managers could start reporting gains again that would give business leaders the confidence to expand. But this is not efficiency; this is just monitored growth and retrenchment. True efficiency is not simply a matter of doing the same things more or less, but rather of doing things differently and yielding a better result, employee morale, better redesign (Duke, 2000).

According to Dawson and Hull (2005) stated that a manager leadership can measurably increase employee performance and morale. Studies show that when the leadership towards redesign in an organization is improved, there is much satisfaction by employees, regardless of occupation. The level or demographic group consistently found that the greatest source of stress and demotivation at work is a negative relationship with the manager. However, a positive change relationship can have an enormous impact on reducing work related stress and increasing motivation and organizational commitment.

A study on organizational leadership in relation to employee morale was carried out in UK when the organizations where undergoing BPR changes and it involved 400 managers in public and private sectors. It found that the most important positive leadership factor was that of leaders showing genuine concern during business change for their staff to win morale. Albert and Judge (2001) leadership factor is the most strongly associated with increased motivation and organizational commitment when organizations are having dynamic changes.

Key to effective and management in general and engaging in leadership in particular, is the level of self awareness the manager has about their leadership and the impact it has on others (Robin Johnston, 2005). Self awareness can be developed through informally requesting feedback from one’s boss, colleagues or staff. Leadership is an incremental component that centers the existence, survival and functioning of any group or organization. Indeed the organization recognizes that their success is highly dependent upon the quality and effectiveness of this dimension. How people want to be managed and how people are being managed in time of redesign and the gap between contributes to either high or low staff morale rate.
Stonily (1987) thought that the leadership in business changes means a kind of method and capability aimed at realizing organizational targets and further affect all organizational activities. Cooperative bank requires a leadership that can deliver the expectations of the shareholders through BPR and employees morale. That feat is attainable only if a responsible and responsive leadership is nurtured in corporate governance standards and works towards. Leadership is the capacity to establish direction and to influence and align others towards a common goal, motivating and committing them to action and making them responsible for their performance. Leadership is needed in order to guide the organizational effort towards achievement of its goals in dynamic times. It seeks to give direction, without which the organization tends to be a muddle of men and machines. It persuades others to seek defined goals enthusiastically and motivates employees and guides them towards the goals.

To be successful you have to convince your followers, not yourself or your superiors, that you are worthy of being followed according to Alvan and flood (2005). In order for an organization to implement any change through BPR processes, it has to have leaders who are ready to communicate and convince the employees the changes through an effective way to build a strong positive attitude on employees.

We argue about whether good leaders are born or made, but there is no doubt that they must be developed. According to the study by the Hay Group, a global management consultancy, there are seventy five key components of employees’ satisfaction (Lamb McKee, 2004). They found that trust and confidence in the top leadership was the most single-most reliable predictor of employees’ satisfaction and morale in an organization. Effective communication by leadership in three critical areas was the key to winning organizational trust and confidence. Helping employees understand the company’s overall business strategy, helping employees understand how they contribute to achieving the business objectives when new changes are amended, sharing information with the employees on how both the company is doing and how an employee’s own division is doing, relative to strategic business objectives in a nutshell you must be trustworthy and you have to be able to communicate a vision of where the organization needs change and go.
Organizational leadership in employee motivation takes into account public policy, national values and ethics. It covers systems by which the individual corporation regulates itself for competitiveness and sustainability of banking institution through practices and procedures for supervising, monitoring, regulating and controlling its affairs. For Cooperative Bank to be efficient and productive, they must apply good governance practices that seek to ensure that the power of the organization is used in a manner that ensures effectiveness, efficient, probity, fairness, transparency, discipline, accountability, responsibility, independence and social responsibility.

According to Spanish Contact Publication (2009), established that BPR need good leadership in any organization for sustainability and employee morale strategies. It involves better dissemination of information concerning all departments and coordinating their operating methods and practice to maintain basic uniformity, foster education, training of members, officials and employees of any organization. It fosters and promotes the organization’s growth and is capable of promoting the investment and general welfare of their members in accordance with labor principles to be able to maintain the general public relation. Good leadership helps regulate mechanisms and performance in the work places as well as motivation of the employees which creates sustainability drive.

According to Robbins (2004), for any organization to improve its motivation to employees, it must develop trusting relationship with those whom they seek to lead. Organizations are increasingly searching for leaders who can exhibit transformational leadership qualities during times of change. They want leaders with visions and charisma to carry out those visions. True leadership effectiveness may be as result of exhibiting the right behavior at the right time. Leaders envision the future; they inspire employees. In Cooperative bank, the leaders must instill values and have the ability to use power effectively and in a responsible manner. They must have the ability to comprehend that people have different motivation forces at different times and in different situations which keep the employees in the organization motivated.

Enrich and Stuck (2006) stated that the employee morale lies in the leadership’s ground on how to influence the members so that they will strive willingly and enthusiastically towards achievements of the goals with confidence. Leaders help attain the objectives
through maximum application of their capabilities. Jobbers (2001) stated that trust and confidence in an institution’s top leadership is the most reliable predictor of members’ satisfaction. Effective communication by leadership in three critical areas is the key to winning bank trust and confidence. Helping members understand the overall business strategy. This helps in contributing to achieve the firm’s objectives, sharing information with employees on both how the institution is doing and how a member own division is doing relative to strategic objectives of firm.

The two concerns of any organization are the people and the processes. If individuals are motivated and working hard, yet the business processes are cumbersome and non essential activities remain, organizational performance will be poor. BPR is the key to transforming how people work. What appear to be minor changes in processes can have dramatic effect on cash flow, service delivery and employee satisfaction.

2.2.3 Information Technology

Information technology is making usage and knowledge of tools, machines, techniques, crafts system or methods of organization in order to solve a problem or perform a specific function. Information technology has affected the society and its surroundings in a number of ways. In many organizations technology has helped develop more advanced economies including today’s global economy. And has allowed the rise of different class of attributes in the companies. Being in the way the HR departments are handling its employees from recruitment, selection, induction and retention, motivation(morale) all lie under the impacts of technology (Bruce, 2008).

Businesses have been on the fore front of information technology because of re engineering processes. According to the Weil and Holden (2000), he established that employees in an organization will be well empowered to spend the employers time wisely for the overall benefit of the firm if the organization is well equipped with the use of information communication technology systems in times of BPR change. Where there is use of information systems the roles are clearly defined. The system administrator will manage all the services of the organization when the monitoring systems are well
connected the employees tend to feel a sense of belonging brought up by the organization through satisfaction. Employees tend to be motivated long enough for human resource manager to check on their performance which improves ultimately.

The use of IT has made it easy for employees to perform their duties in a very effective and efficient manner when BPR is introduced. Morale degree is highly correlated to the level of employee satisfaction in organizations. Employee to customer service has drastically improved due to application of information technology to be able to reach all the customers quickly and even solve their problems. An employee whose customer relation is poor means that there is a great problem with the organization. Improved customer service through the use of IT to do all the activities including getting information from them, makes the employees feel easy as a result of not straining to do customer activities (Brian and Levine, 2007).

In the world of globalization, information systems is such where data are collected, classified and put into process, interpreting the result there on in order to provide an integrated series of information for communicating and analyzing among all the levels of management, allowing a conducive and sustainable environment for employees to be moraled. (Weil, 2003) IT capability is directly related to the long-term consequences of decision made by the top management traditionally board level executive deterred key IT decisions to companies decision. It systematically involves everyone in every level in an organization, as it establishes the framework for growth, change, transparency, and accountability of individual's decision. All these are tools of keeping employees in an organization which in the long run has the positive impact on motivation (Grebeegen and Forzano, 2006).

According to today's business environment the advancement of technology has increased the competition between organizations. The competition of workers has also increased due to scarcity of required skills and knowledge to perform a certain task when new business processes are due. Employees are leaving organizations abruptly without the knowledge of the employer. This has caused a hard time for a company to have a better decision on human resource planning and introducing BPR. Employers who fail to provide thorough information technology in their organization face difficult times in the
company’s life. Employers should equip their organizations with better IT flow to ensure such occurrences are prevented incase the new systems are introduced. This will not affect employees in reducing their morale (Brian and Levine, 2007).

The overall Business process reengineering operation in an organization like organizational communication and decision making strategies depend on various tools of information technology like the use of internet to network in an organization. The success of an organization involves the active participation of employees. In order for an excellent business performance, employees need to be either physically or mentally satisfied. (Ranjithan and Schulz, 2007) identified high morale rate as the biggest challenge faced by many companies who fail to use technology in their operation when they are initiating change. In this technologically changing era motivation is a big problem because employees that are not trained in technology in a company find better prospects in another company on the same technology. Motivating means preventing the talented and valuable employees from leaving their jobs. This is a very significant strategy in a firm pertaining human morale.

In a research conducted in New York in USA, on industry workers and academician on how human morale is related to the use of technology in reengineering processes, it was found that IT has about 68% of impact to the employers on human resource strategies on workers regarding motivation level. A survey of 60 workers for various private and government firms showed that morale was related with quality performance of employees with involvement of information technology. It was concluded that organization which spent more time in planning the IT were more successful in Business process reengineering because of motivating employees (Weil and Holden, 2000).

According to Michael and Kim, (2000) he stated that highly trained employees who are interested in bettering themselves can be an incredible asset in the workplace through the knowledge of information systems. This is one of the reasons that so many companies big and small actively support their employee’s decision to go back to school. Continuing education can be a win - win proposition for individuals and employees making them feel they are part of the organization for long through better knowledge in IT. Dissatisfaction of employees about the organization was because of no or less communication between
the upper level of management and the employee. This too much extent can be handled with the help if information technology in the firm to assist employees morale.

IT in business process re engineering has made it easy for employees to perform their duties in an effective way resulting to a more employee’s satisfaction which has led to more motivation in organizations. (Drecke and Laytin, 2009) stated that IT has helped to improve communication in many organizations when they are having BPR in progress, which has also led to improved morale among employees due to easy and accessible information about the progress of a firm. When employees are better related without conflicts, they tend to stop leaving an organization due to reasons like lack of important information, conflicts arising from different management levels and they tend to abide for long duration in an organization. This has resulted due to application of IT in modern organization.

2.2.4 Effective Communication

Communication is the activity of conveying information from one person to another. It is derived from the Latin word “communis” meaning to share. It requires a sender; a message and an intended recipient, although the receiver needs not to be present or aware of the sender's intent to communicate at the time of communication. Communication may take different forms in an organization either verbal or non verbal between all levels of management. Oral referring to spoken verbal communication can employ visual aids elements to support the conveyance of the meaning. It includes speech, presentation, discussion and aspects of interpersonal communication. Non verbal conveys the information in a non word messages. Research shows that majority of our communication is non verbal. It includes body language, posture, facial expression and eye contact. All this kind of communication is necessary in an organization (Mackenzie, 2005).

According to Mackn (2009) said everyone impacted by the proposed changes must be on board and actively involved throughout the project. Anyone feeling left out or disconnected may become disenfranchised or even revolt. In fact, a disgruntled employee whose job faces dramatic change or elimination could sabotage the project, causing unexpected and costly delays or disruptions. Clear, concise effective communication that
reinforces the benefits of the reengineering as well as the costs of not aiding in the change is critical to the success of the overall project. This is aimed to increasing employee satisfaction in an organization.

Effective communication in an organization that is undergoing business reengineering changes is a very important tool to morale your employees and motivates them. It occurs if the receiver understands the exact information or idea that the sender intended to transmit. Without better and effective communication in an organization it’s impossible to keep and motivate the employees. They feel neglected, non-participative to organization decisions as their opinions are not recognized, (Harris, 2009). Many of the problems that occur in an organization are either the direct result people failing to communicate, get information in the best form to understand what they are supposed to do when processes are changed, which in turn cause confusion in the firm and can cause good plans fail.

According to Graffins (2006), he established that studying effective communication process during organizational change is a very important way of motivating and relating with your employees in a very ethical manner. It is crucial because you coach, coordinate, counsel, evaluate and supervise through this process. It is the chain of understanding that integrates the members of an organization from either top to bottom or from bottom to top or side to side. When understanding is achieved through better passing of information every flow of activities is efficient. This ensures that the organization activities are well controlled and coordinated for the success and achievement of organizational objectives which is the key aim for the life of any firm to exist.

If an organization wishes to change the way it operates, it must turn to its people to make it happen. People (employees) are the agents of change. Creating business plans and strategies are important, but they are only tools to guide the actions of people. Because BPR can potentially require significant changes throughout an organization, it must begin with a communications campaign to educate all those who will be impacted by this change. Effective communication to all levels of personnel must remain active from start
to finish keeping everyone involved and working towards a common change goal. Without a common understanding about what is happening, confusion and uncertainty about the future can result in resistance strong enough to stop any reengineering effort. BPR is most effective when everyone understands the need for change, and works together to tear down old business systems and build new ones (Dancun, 2004)

Significance of effective communication is great to managers and employees and how the employees will stay in the organization so as to perform the basic functions of management which is planning, organizing, leading and controlling during business reengineering. Communication helps managers to perform their jobs and responsibilities which in turn they give directives to other employee of what is expected of them (Waterman, 2001). It serves as the foundation for planning. All essential information on changing the organization must be communicated to employees to implement the laid down plans. Better and timely communication encourages the employees to keep on working for a certain organization for long duration.

Controlling a change in an organization is impossible without written and oral communication in an organization. Managers must communicate well with their subordinate in order to give them the best direction for achieving the planned change strategies (Faraday and Kerry, 2009). Better and easy control is achieved when the employees are well equipped with what is expected of them and are satisfied and dedicated to work tirelessly for the organization. Control problems arise when there is poor communication which results to poor relation between the levels of management. There is high demotivation by employees in an organization that is not properly controlled in changing period and much of their policies to implement aren’t communicated effectively.

Employee morale is promoted by the quality of effective communication in any organization undergoing re engineering process. It is critical to the employee’s life time in it. Effective managers create employee morale through different effective communication ways. Managers who motivate staff start by communicating clear expectation to employees, they share the picture of what constitutes BPR success for the
employees in both the expected deliverables from and the performance of the job. These managers provide feedback and make the employee feel valued and ready to serve the organization for long (Guzman and Holden, 2000).

Almost every manager increases her /his ability to motivate employees by developing her/his management skills of effective communicating well in an organization. Teaching a manager how to value people by communicating effectively to the subordinates can be very challenging in organization change times, particularly if a manager does not value employee and their contribution to the organization. These ideas teach all managers in every level to support employee retention. Managers should integrate performance management including goal setting through cleared and effective way of communicating and receive feedback (Smith, 2009).

Employee morale is one of the primary measures of the health of your organization. If you are losing critical staff members when initiating a change, you can be certain that other people in the departments are watching as well and they can as well leave. Without better communication in an organization which is closer it is impossible to motivate most of your employee for long time. Exit interviews with departing employee provide information you can use to motivate your employees when BPR is not fully implemented. Without knowing what is making employees leave your organization it is impossible to keep them. Clear analysis of high turnover helps the firm to come with strategies which improve on motivation level of employees. Communication serves the basis for tackling all these identified problems during changing times (Ferdinand 2007).

2.2.5 Training

The term training refers to the acquisition of knowledge, skills and competencies as a result of teaching of vocational or practical skills and knowledge that relate to specific useful competencies. It forms the core of apprenticeships and provides the backbone of personal development in career path. In addition to this basic training is required for a trade, occupation or professional. Observers of labor market, recognize training as of the need to continue acquiring skills and knowledge beyond initial qualification to maintain
competency and upgrade skills throughout working life. Scholars refer to it as professional development (Gale, 2004).

In business management, when reengineering is introduced in an organization training becomes very important to employees. It is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups in organizational settings. It has been known by several names, including human resource development, and personnel learning. Learning of employees in an organization is very critical with an aim of inducing morale (Hammer, 2008).

To be effective, training is purposed to improve the way people work. Employees must be evolutionary, not revolutionary in organizational changes. The long history of mismanagement of centrally planned radical reforms, in addition to reengineering as a biggest challenge in business (Hammer, 2008), suggest that evolutionary approaches deliver better and more permanent employee improvements. Evolutionary change stimulates morale and imagination, creating conditions for rewarding organizational learning and for inspiring employees to discover innovative ways to deal with adversity and competitive challenges.

Research done by Guzman (2009) established that, the most effective way when new changes are made through information systems and redesigning an organization is to develop people and employees through training. Training is the most important way to enrich the employees with skills and enough knowledge to help in work efficiently and effectively. The reason for this is that in terms of learning, training and development; what's good for people is good for the organization in which they work. What’s good for people development is for the organizational performance, quality, employee satisfaction, effective management and control and therefore profits too. When the employee is fully trained, the organization does not need any outsider to think on its behalf or lay off employees and get new personnel. The qualified employees are therefore dedicated to work with the use of their skills to get the required output. When the employees are satisfied this brings morale because they feel they should be part of an organization.
Organizations which have re engineering systems in place and which approach training from this point of view inevitably foster people who perform well and progress, as well as motivating them for the betterment of the organization. They stay around for long enough to become great at what they do and to keep others become so. This is a policy that helps in creating an environment for employee’s developments as well as employee talent management. Most organizations layoff or retrench employees who are less qualified when redesigning takes place leaving those with skills to perform better in their work (Guzman, 2009). Motivating employees indicates that they are of great importance to the success of the firm while lack of training may force the firm to send most of the employee’s home and retain those with qualification. It’s upon an organization when changes are made to take the responsibility of training and impacting knowledge employees about the change instead of laying off. This cultivates a background for employee’s morale.

Training should be about the whole person development, not just transferring skills, the traditional interpretation of training at work. Whatever role and responsibility, you might not immediately be able to put great new emphasis on one person development. If the person’s development is quite worthwhile an organization retains him or her. Being realistic, corporate attitudes and expectation about what training is and does cannot be changed overnight and most organization still see training as being limited to work skills, classrooms and power point presentation. Unless training is effected, an organization will not benefit from its employees. Dissatisfied employees have low morale because the organization is less concerned with their welfare (William, 2002).

Some research concludes that successful financial institution cultivate a consistent, clearly articulated and shared organizational training culture and have non-negotiable core values. Better organizational training culture is known to be critical to organizations’ change success (Bennet, 2006). A strong organizational culture of training employees facilitates high levels of employee motivation and commitment, intention to remain with the company and team work. Further, it impacts upon customer satisfaction and can determine whether the customer continues to do business or seeks other supplier. Strong links also have been drawn between organizational educational culture and the successful
implementation of TQM. Berg Steiner (2010) conclude from their observations of 47 sustainable organizations that these organizations cultivate a consistent, clearly articulated and shared organizational training culture with non-negotiable core values, and that it is important for companies aspiring to improve employee morale to build an enabling culture.

According to Wellington (2006), organizations need to assess its people’s skills when they are about to bring business process re engineering. Training needs to help them to stay longer in the firm as well as giving morale to employees. Managers and supervisors should play the key role in helping the process of training its juniors is achieved through the best strategy in order for the employees to be conversant with the new systems. Improving the firm’s performance and morale through motivation is through continuous training and education to all the participants of the organization growth. Better competitive advantage is achieved through a duration which involves training and knowledge management of the employees.

Training employees does have a significant role in modern business era when re engineering is taking place. Not just to equip them with the latest tools an organization has implemented, but there is a lot more to it. Rapid technological innovation impacting the work place has made it necessary for people to consistently update their skills. Most employees like it when an organization is concerned about their career development. An organization that is concerned about the welfare of the employees motivates most of them no matter the market situation. (William 2002). Management of information systems should be well understood by the employees if morale is to be gained. This should be done by the organization for the reason of creating a conducive environment for employee to work in.

Research established by an American publication in (2001) on how business process re engineering influences morale on employees when introduced, established that low morale was created because the employees where not conversant with the re introduced systems, they were forced to leave the organization because of lack of skills required to
perform activities. Employee turnover is an important consideration for managers and employers alike. Reengineering should be accompanied by thorough training. For starters, the monetary cost of hiring a new worker is significantly high. In 1989, it was estimated that the cost of replacing an employee could average as much as 1 year’s salary for that position. Where training fits in many employers believe that training boosts morale enhances motivation and improves personnel retention. Marriott hotel in USA found that effective training when restructuring organization is of its entry level to workers and had a profound effect on keeping these employees through motivation.

Motivation is a critical aspect for every organization regarding achieving competitive advantage because human resource is the most critical asset of today’s modern ever changing business world. Other resources can be arranged effortlessly but to get efficient and motivate talented human capital is the most difficult thing or task. Organizations are now focusing towards employee talent management through giving of training to most of its workers when a change is introduced. This is different HR techniques in order to equip employees with modern techniques brought up by business reengineering (Robins, 2008).

Effective training helps employees to increase their knowledge and capacity to have greater input to the organization than before because this impacts on morale. Changing business is important and training employees on the new designs is important too. Trained employees on reengineering basis makes them feel a sense of belonging and feel having participated and involved fully in all organization’s activities. In Florida (USA) trained employees were researched to have a greater output and satisfaction to their welfare than untrained ones. It is the mandate of the organization through their manager to start to train those who have no skills and increase skills and knowledge to those who have them. When changes will occur the employees will have no difficulties in coping with them. This is a morale builder tool (Wellington, 2006).

Training encompasses three main activities: training, education, and development. Garavan, of the Irish Institute of Training and Development, note that these ideas are often considered to be synonymous. However, to practitioners, they encompass three separate, although interrelated activities: Training: It is both focused upon, and evaluated against, the job that an individual currently holds; Education: Focuses upon the jobs that
an individual may potentially hold in the future, and is evaluated against those jobs; Development: It focuses upon the activities that the organization employing the individual, or that the individual is part of, may partake in the future, and is almost impossible to evaluate (Gale, 2004).

The conflicts are the best part of career consequences are those that take place between employees and their bosses. The number one reason people leave their jobs is conflict with their bosses. And yet, as author, workplace relationship authority, and executive coach, Dr. John Hoover points out, "Tempting as it is, nobody ever enhanced his or her career by making the boss look stupid." Training an employee to get along well with authority and with people who entertain diverse points of view is one of the best guarantees of long-term success. Talent, knowledge, and skill alone won't compensate for a sour relationship with a superior, peer, or customer (Robbins, 2008).

According to Freisxas (2004), Employee management is the most important job that managers do in an organization when restructuring is to be done. You want to learn how to find, interview, and hire a supervisor workforce. Then you need to understand and perform the employee’s practices that keep employees motivated, inspired, developing and attaining goals with guidance. The supervisor is responsible to ensure that the subordinates being supervised need to receive enough training and what are required of them in order to equip them with re engineering processes. Motivation and morale achieved from employee training is much appreciable by employees. Managing employee’s performance every day is the key to an effective performance management after thorough training and development. Setting goals, making sure expectations are clear and providing frequent feedback help people perform most effectively.

Though training and education differ in nature and orientation, they are complementary. An employee, for example, who undergoes training in business changes, is presumed to have had some formal education. Furthermore, no training program is complete without an element of education. In fact, the distinction between training and education is getting increasingly blurred nowadays. As more and more employees are called upon to exercise
judgments and to choose alternative solutions to the job problems, training programs seek to broaden and develop the individual through education. For instance, employees in well-paid jobs and/or employees in the service industry may be required to make independent decision regarding their work and their relationship with clients. Hence, organization must consider elements of both education and training while planning their training programs (Hammer, 2008).

2.5.6 Reward System

According to Rajang (2001) stated that more often than not, most organizations need to adapt to change in competitive business environment because they fail to satisfy the needs of the diverse group of employees within the company. Many employees are exiting to new firms and joining others faces the dilemma of what to do in the wake of change. It is very advisable for business which needs to re engineer their processes to consider how the reward system will be. Mostly changes are not accompanied by better reward review because organizations don’t take employees as their valuable assets. Firms should do a thorough research on review of rewards as a motivator during the changing error. This helps to stop labor turnover as a result of satisfied employees.

BPR is a team effort according to Mohan (2004) if an organization has to build an effective team in their operations during a change period, then reward would not be a problem. Diverse groups would think in terms of the long term benefits of re engineering and come out with ideas of benefit sharing which are the rewards to them. Ignoring human factors and just relying on team and leadership is a dangerous approach. Team work and leadership push everyone through the emotions but not a commitment that will last. That is why it’s crucial to communicate the benefits to be attained to all stake holders and employees in regard to reward system.

Priscilla (2011) stated that very few organizations regard the needs of the employees during the change processes and as an outcome to that, they face high resistance to change. When employee’s welfare is not looked at in the organization that is undergoing
BPR, they stand strong to resist such implementation of the change. When a firm assures employees of better rewards after the change, all the intrinsic and extrinsic rewards are felt in them. This Morales them to continue with the organizational operations. Resistance to change is natural, no one wants to change because a change affects how things are done and new things have to be implemented. It makes sense to communicate the exact change taking place and the reward management; its cause and effect and benefits accrued to the employees. Companies doing BPR without taking their own employees in confident will not only face resistance but also BPR may fail or be less useful.

During the process of business re engineering the most important body in an organization are the employees. Without employees, no organization can survive. Satisfaction of employees in a firm is what brings about growth, productivity and competitive edge. Firms should critically examine themselves the level of reward systems before any change to take place. It should find a show case of improvement of employees by pilot implementation of a change, than it should encourage the employees on successful implementation of process by rewarding the organization movers who are the employees (Mohan, 2004).

According to Root and Lay (2003) in a period of recession most major companies look for new ways of selling or streamlining operations. Rarely, however companies turn to improving the operational capability of the reward function. Everyone accepts that the reward is important during business changes, in particular the shape of that reward –level of pay, benefits, allowances. Reward is after all, the key asset which you exchange with your employees in order to secure productivity. However, the effectiveness of actual reward operations in new error is not considerable by the top management. The operational challenge for the reward function is to efficiently and compliantly assess employee reward eligibility arising from ‘status’ like job, location and inputs like hours and shifts together with the on going change, whether a company is driven, like promotion or change, regulatory like pension rules, in order to generate the right file of data for the companies payroll and benefits thus ensure the right reward allocation for each employee is awarded in BPR.
In the dynamic change the reward review has become increasingly used to the organizations meaning new changes in reward system. With a more global market, more staff change, the need for more complex reward strategies and the desire to drive up employee’s engagement, reward administration is becoming more complex. Every company needs a strategic reward system during business process re engineering processes for employees that address the compensation, benefits, recognition and appreciation. The problem with reward systems in many businesses today is a two fold. The element that are addressed aren’t properly aligned with the companies other corporate strategies (Lukeman, 2009).

A winning system during BPR in order to increase employee’s morale should be recognition and reward policies on the employee’s activities, performance and behaviour. Performance, during a change period an organization can implement an incentive plan and recognize the top performing employees in a certain period. Rewarding specific behaviors that make a different in BPR to the organization is more challenging than rewarding performance but organization should overcome that by asking themselves these questions, what am I compensating for my employees for? What are the behaviors I want to reward? A common bank in America is known for rewarding employees those who come early during time of changes and after changes and those staying late. A right strategy should include an incentive compensation plan that directly linked to the goals of the company (Hill and Layton, 2005).

An effective reward system coupled with communication and learning is one of the most critical levels of the change process. However, even if the change message is well communicated and well received and people are given an opportunity to learn so that they can behave differently in the new environment, it doesn’t follow if anyone s is going to change their behaviour unless its backed up by reward system. (Markey, 2000). Employers reward systems can help much during an organization transformation. It can help employees achieve their organizational goals as set during time of change; employers must first identify each job objective clearly before developing tangible or intangible reward systems. Important goal such as employee retention and job satisfaction, performance improvement and employee motivation can be achieved by
identifying the desire outcome of employee reward system programs. Company’s executives and managers that align their organizational objectives with employees reward system are likely to experience repeated instances of improved employee performance. Employee reward system in BPR should not be based on seniority; instead, all levels of workers should be encouraged to participate.

BPR implementation in any banking institution may be a difficult task because of high company turns over in the period of change. Employee’s dissatisfaction is much compared to the expectation which leads to them leaving the company to other firms. The rates of turnover can be reduced through morale of employees during change period by having a better reward system. The tangible and intangible form of rewards that can be given to employees are cash, bonuses, gifts inform of tickets or sporting event. This form of reward systems during business change makes employees feel appreciated in the work place. Employee recognition has a greater influence on employee performance (Hill and Layton, 2005).

Wood,(2009) established that better implementation of BPR towards reward system should be based on equity theory to enable everybody in the organization to be satisfied. Equity theory is an important theory of satisfaction and motivation that is fundamental basis of the design of most modern compensation systems. It is based on the premise that employees evaluate the level of their pay by comparing their contributing (inputs) and rewards(outcomes) to the contribution and rewards of comparison others or referents. While rewards can conceivably consist of pay, fringe benefits, status, opportunities for advancement, job security or any thing else that the employees values. Equity theory explains how individuals seek to achieve a balance between the ratio of their contribution to the rewards to the ratio of contribution and rewards of others. Equity exists from perspective of individuals, when this ration balance is achieved. Equity is an individual perception of his or her contributing and rewards of the reference that is important in determining whether the individual perceives equity or in equity. An equitable pay structure is one that is designed in such way that the majority of employees perceive their pay as equitable during business process re engineering. The basis for all effective compensation systems is an equitable ay structure.
2.3 Critical Review

According to Robins (2004), good organizational leadership in any organizational change and employee morale strategies, involve better dissemination of information concerning all departments and coordinate their operating methods and practice to maintain basic uniformity, foster education, and training of members, officials and employees of any organization. It fosters and promote the organization growth and capable of promoting investment and general welfare of their members in accordance with an organization principles to be able to maintain the general employee relation. However this is true, the research has failed to show us how organizational leadership affects employee morale. The research is aimed at establishing how leadership affects employee morale.

Businesses have been on the fore front of information technology because of re engineering processes. According to the Weil (2000), he established that employees in an organization will be well empowered to spend the employers time wisely for the overall benefit of the firm if the organization is well equipped with the use of information communication technology systems in times of business change. This is very correct from author. The study has failed to link us how information technology affects employees morale. This study is purposed to establish how information technology affects employee morale. According to Graffins (2006), he established that studying effective communication process is a very important way of motivating and relating with your employees in a very ethical manner. It is crucial because you coach, coordinate, counsel, evaluate and supervise through this process when organization is having a change. It is the chain of understanding that integrates the members of an organization from either top to bottom or from bottom to top or side to side. When understanding is achieved through better passing of information every flow of activities is efficient and motivation is gained. Whereas this is very correct the study has failed to prove how effective communication affects employee morale. This research is focused to identify how effective communication influences employee morale in an organization.
According to Guzman (2007), an organization needs to assess its people skills, training needs, to help them motivate them in the firm when reengineering takes place. Managers and supervisors should play the key role in helping the process of training to its juniors is achieved when organization has changes in systems. The best strategy to improve the firm’s performance and morale is through continuous training and education to all the participants of the organization growth. Better competitive advantage is achieved through a duration which involves training and knowledge management of the employees. Whereas this is true the study has failed to show us how training affects employee morale in an organization. This research is focused to determine how training affects employee morale.

In the dynamic change the reward review has become increasingly used to the organizations meaning new changes in reward system. With a more global market, more staff change, the need for more complex reward strategies and the desire to drive up employee’s engagement, reward administration is becoming more complex (Lukeman, 2009). This is very true but the research has failed to show us how reward systems affect employees morale. This study is aimed to find out how reward systems affect employee morale.

2.4 Summary
This chapter commence by a discussion of research questions with the support of literature review. The main areas covered are the effects of organizational leadership, organizational culture, technology, communication, and training on employee morale in banking organization.

Summarizing briefly the key findings of the studies; organizational leadership means a kind of method and capability aimed at realizing organizational targets and further affect all organizational activities. Cooperative bank requires a leadership that can deliver the expectations of the shareholders. That feat is attainable only if a responsible and responsive leadership is nurtured in corporate governance standards in case of reengineering process. Leadership in any organization sustainability and employee morale strategies involve better dissemination of information concerning all departments and coordinating their operating methods and practice to maintain basic uniformity, foster
education, training of members, officials and employees of any organization. It fosters and promotes the organization’s growth and is capable of promoting the investment and general welfare of their members.

The overall performance in an organizational change like organizational communication and decision making strategies depend on various tools of information technology like the use of internet to network in an organization. The success of an organization involves the active participation of employees. In order for an excellent business performance, employees need to be physically or mentally satisfied.

Effective communication in an organization is very important tool to morale your employees and motivate them. It occurs if the receiver understands the exact information or idea that the sender intended to transmit. Without better and effective communication in an organization it is impossible to keep and retain the employees. They feel neglected, non participative to organization decisions as their opinions are not recognized.

It should be noted that effective training helps employees to increase their knowledge and capacity to have greater input to the organization than before. Trained employees feel a sense of belonging and feel having participated and involved fully in all organizations activities. It is an important way of improving productivity in an organization and motivating employees.

Reward systems can affect the employee’s morale during the business changes. Assurance of better rewards programs can help employees be satisfied. Unless employees are satisfied with the job, no morale can be build and the company will experience high turnover rate. It’s upon an organization to have reviews on reward system whenever changes are made.
2.5 Conceptual Framework

Figure 2.1 Conceptual Framework

**Independent Variables**

- Organizational Leadership
- Information Technology
- Effective Communication
- Training
- Reward System

**Dependent Variable**

- Employee Morale

Source: Author (2013)

### 2.5.1 Organizational Leadership

Leadership is a factor affecting employee morale in organizations. It is the art of accomplishing more than the science of management say is possible. Leadership system that establish direction and influence and align employees and members towards a common goal, motivating and committing them to action and making them responsible for their action will affect its morale positively and vice-versa.
2.5.2 Information Technology

According to Gregory (2006), he stated that the use of information communication technology is very crucial in today’s organization. The motivation of employees is correlated to the use of IT in a firm in BPR process. Application of information technology in firms systems motivates many of the employees. This is due to the reduction of much work load which is done without computers making workers dedicated to achieve much of their work within a framework of short time in a very efficient and effective manner. Employees will be empowered to spend the employer’s time wisely for the overall benefit of the firm if the is well equipped with the use of information systems.

2.5.3 Effective Communication

Effective Communication process is a very important way of motivating and relating with your employees in a very ethical manner. It is crucial because you coach, coordinate, counsel, evaluate and supervise through this process. When understanding is achieved through better passing of information every flow of activities is efficient. This ensures that the organization activities are well controlled and coordinated for the success and achievement of organizational objective and organizational change which is the key aim for the life of any firm to exist.

2.5.4 Training

Training your employees does have a significant role in modern business era. Not just to equip them with the latest tools an organization has implemented, there is a lot more to it. Rapid BPR technological innovation impacting the work place has made it necessary for people to consistently update their skills. Most employees like it when an organization is concerned about their career development. An organization that is concerned about the welfare of the employees motivates most of them no matter the market situation.

2.5.4 Reward Systems

When a firm assures employees of better rewards after the change, all the intrinsic and extrinsic rewards are felt in them. This Morales them to continue with the organizational operations. Resistance to change is natural, no one wants to change because a change affects how things are done and new things has to be implemented.
3.1 Introduction
This chapter includes the strategies that the researcher used to collect data from the field, the methods of analyzing this data and presenting them in a way that was understood. It included the research design, target population, sampling design, data collection instruments, data collection procedures and data analysis procedures.

3.2 Research Design
According to Mugenda and Mugenda (1999), descriptive research is the process of collecting information with the objective of describing a phenomenon. The study adopted a case study research design which is a form of descriptive research since this allowed the researcher to carry the study without affecting the flow of work. The design was preferred because it was concerned with answering questions such as who, how, what, which, when and how much (Cooper and Schindler, 2011). A descriptive study was carefully designed to ensure complete description of the situation, making sure that there was minimum bias in the collection of data and to reduce errors in interpreting the data collected (Boyd, 1989).

3.3 Target Population
Target population refers to the total number of people that the researcher feels that they are enough to get information from in order to compile the research. The target population of this study was the management and operative staff of Cooperative Bank of Kenya Nairobi branches which consisted of 1230 employees.
Table 3.1 Target Population

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>89</td>
<td>7</td>
</tr>
<tr>
<td>Middle Management</td>
<td>213</td>
<td>17</td>
</tr>
<tr>
<td>Operational Staff</td>
<td>928</td>
<td>76</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1230</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2013)

3.4 Sampling Design and Procedure

Sampling design is the part of research plan that indicates how cases were selected. A sample of 333 respondents was considered to provide a general view on the investigation of the effect of business reengineering on employees morale in Cooperative Bank in Nairobi County. The sample units were the top management, the middle management and the operative staff of Cooperative Bank of Kenya Nairobi branches. Sampling technique was by stratified random sampling. Mugenda and Mugenda (1999) points out that this method ensures inclusion of small groups which otherwise could have been totally omitted by other sampling method. It was best suited for this research because the population will be heterogeneous.

To get the Sample

We get the smallest subgroup which is executive with 89 members. The desired error level is 5% and confidence level of 95%

We calculate this desired error level and confidence for the smallest subgroup given by the formula (Cochran, 1963).

\[
n = t^2 \times \frac{p (1-p)}{M^2}
\]
n = Sample Size

p = The percentage of the subgroup in relation to the whole population.

t = Confidence Level

m = Error level

The sample size of the smallest subgroup will be by using the formula

\[ n = \left(0.95\right)^2 \times \frac{89}{1230} \left(1 - \frac{89}{1230}\right) \left(0.05\right)^2 \]

\[ n = 0.9025 \times 0.0724 \left(1 - 0.724\right) \]

\[ n = 0.9025 \times 0.0724 \left(0.9276\right) \]

\[ n = 0.9025 \times 0.0724 \times 0.0025 \]

\[ n = 0.9025 \times 0.0724 \times 0.9276 \times 0.0025 \]

\[ n = 24 \]

Determine the percentage of this in relation to the subgroup

\[ \frac{24}{89} \times 100\% = 27\% \]

Using the ratio to get the sample size of the other subgroup

\[ 0.27 \times 928 = 251 \]

\[ 0.27 \times 213 = 58 \]

Thus the total sample of the population will be

\[ 251 + 58 + 24 = 333 \]
Table 3.2 Sample Size

<table>
<thead>
<tr>
<th>Category</th>
<th>Target Population</th>
<th>Sample Size</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Management</td>
<td>89</td>
<td>24</td>
<td>7</td>
</tr>
<tr>
<td>Middle Management</td>
<td>213</td>
<td>58</td>
<td>18</td>
</tr>
<tr>
<td>Operational Staff</td>
<td>928</td>
<td>251</td>
<td>75</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1230</strong></td>
<td><strong>333</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Author (2013)

3.5 Data Collection Methods and Procedures

Primary data collection method was used. This was derived mainly through the administration of questionnaires to the respondents, personally which were further processed and analyzed. Additionally, interview was also be used to compliment and corroborate the data sourced through the questionnaire. The data was collected from target respondents through the questionnaire administrative technique. Open-ended and close-ended questions was used. Open-ended question enabled the respondents to give more adequate presentation of answers to the questions asked, while close-ended questions helped to keep the questionnaire to a reasonable height and therefore encouraging responses and validity in terms of representatives of the returns with its alternative structure.

3.5.1 Data Validity and Reliability

Mugenda and Mugenda (2003) asserted that, the accuracy of data collected largely depended on the data collection instruments in terms of validity and reliability. Validity is the degree to which result obtained from the analysis of the data actually represents the phenomenon under study. Validity was ensured by having objective questions included in the questionnaire. Reliability on the other hand refers to a measure of the degree to which research instruments yield consistent results (Mugenda & Mugenda, 2003).
3.6 Data Analysis

According to Bailey (1984), data analysis procedure includes the process of packaging the collected information, putting it in order and start writing it in main components in the way that the findings can easily and effectively be communicated. Editing, coding and tabulation was carried out. After all the data is collected, data cleaning was done in order to determine inaccurate, incomplete, or unreasonable data and then improve the quality through correction of detected errors and omissions. The data collected analyzed mainly by use of descriptive statistics which included: frequency distributions, mean, The result were then presented in form of a well interpreted and easy to understand tables, graphs, charts and percentages. According to kodhari (2004) tables, bar charts, pie charts, frequencies, and percentages are important statistical methods of organizing and summarizing data into a meaningful way for the ease of interpretation.
CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION OF FINDINGS

4.1 Introduction
This chapter presented and discussed the analysis of data collected from the respondents by the researcher. The response from the respondents who were given the questionnaires was analyzed. The data was interpreted according to the research and objectives.

4.2 Presentation of Findings

4.2.1 Response Rate
The researcher administered 333 questionnaires to randomly selected respondents. The response was as follows.

Figure 4.1 Response Rate

Source: Author (2013)

As seen in figure 4.1 the researcher targeted a total of 333 respondents at Cooperative bank of Kenya. However, it was not possible to get back all the responses. Out of the total 333 respondents, 270 responded by filling the questionnaires and returning them. This represents a percentage of 81%. The non-respondents were 63 represented by 19%.
The response rate was deemed adequate and sufficient by the researcher for purposes of data analysis.

4.2.2 Gender of Respondents

Figure 4.2 Gender of Respondents

Source: Author (2013)

In figure 4.2 above shows that 77% the respondents were male while 23% were female. This indicates that the majority of the responses in each of the categories in Cooperative Kenya were males.

4.2.3 Age of the Respondents

42
From the figure 4.3, the respondents numbering to 30% were in the age bracket of 35 – 40 years, 23% of the respondents were 30 – 35 years, 27% of the respondents were 25 – 30 years, and 16% were aged between 20 – 25 whereas 4% were above 45 years. This indicates that majority respondents were aged between 35 - 40 years.
From the above figure 4.4, 7% of the respondents worked for 10 years and below, 10% of respondent for 30-40 years, 17% have been with the cooperative bank for 10 years or less, 26% have been for 20-30 years while 40% have worked for 20-30 years. This indicated that majority of the respondents had worked in Cooperative Bank of Kenya for 20-30 years.

### 4.2.5 Highest Educational Level

The educational level of the respondents was essential in the study as it may influence the type of responses got from the respondents concerning the independent variable.
The findings indicated that, 7% had gone up to secondary level, and 40% of the respondents had gone up to colleges while 53% had attained university level. This shows that majority of the respondents in Cooperative Bank had gone to university.

4.2.6 Kind of Leadership style in the bank

The figure 4.6 above show that 69% of the respondents answered there is a democratic leadership style in Cooperative bank, 20% said there is bureaucratic while 11% said that
the leadership style is laizzez faire. It can be concluded that majority of the respondents felt that

4.2.7 Extent of Giving the best leadership skills

Figure 4.7 Extent of giving the best leadership skills

![Pie chart showing the extent of giving the best leadership skills]

Sources: Author (2013)

The data analysis in figure 4.7 above shows that out of the total respondents, 56% strongly agreed that leaders give their best in skills improvement, 20% agreed, 15% did not agree or disagree, 6% disagreed that leadership don’t give their best in skills and 3% strongly disagreed. This shows that leaders need to improve on developing leadership skills.

4.2.8 Extent of organizational having new IT systems

Figure 4.8 Extent of organizational having new IT systems
Source: Author (2013)

The data analysis in figure 4.8 above shows the total number of respondents who answered on whether the bank adopts new IT systems during business reengineering, 39% strongly agreed that the bank gets new IT systems, 26 agreed, 19% could not agree or disagree, 10% disagreed that no new IT systems in times of BPR while 6% strongly disagreed that.

4.2.9 Effects of Decisions based on dissemination of information

Figure 4.9 Effects of decisions based on dissemination of information

Source: Author (2013)

The data analysis in figure 4.9 above shows that out the organizational decisions are disseminated to the entire organization, 45% strongly agreed this fact, 34% agreed, 5% neither agreed or disagreed, 34% disagreed that decisions are disseminated to the entire
organization while 2% strongly agreed. This means that for an organization to improve on BPR all its information should be available to the entire bank.

4.2.10 Extent of whether employees get financial resources for training

Figure 4.10 Extent whether employees get financial resources for training

Source: Author (2013)

The data analysis in figure 4.9 above shows that out the organizational decisions are disseminated to the entire organization, 45% strongly agreed this fact, 34% agreed, 5% neither agreed nor disagreed, 34% disagreed that decisions are disseminated to the entire organization while 2% strongly agreed. This means that for an organization to improve on BPR all its information should be available to the entire bank.

4.2.11 The organization has better rewards for employees
From the figure 4.11 above shows that whether Cooperative bank has better rewards for its employees for morale in BPR, 14% strongly agreed this slogan, 20% agreed, 6% neither agreed or disagreed, 36% disagreed that the bank does not offer better rewards for employees while 22% strongly disagreed. This shows that there a big need for the bank to check on rewards strategy for the bank to its employees.

4.2.12 Extend of leaders developing employees ability to change

From the analysis in the figure 4.12 above shows the extent of leaders in cooperative bank in relation too developing employees ability towards BPR, 17% strongly agreed this
fact, 28% agreed, 14% neither agreed or disagreed, 30% disagreed that the bank does not develop any employee ability while 11% strongly disagreed. This implicates that for leaders to excel in change times they should develop the employees ability to work in new environment.

4.2.13 Extent of D.S.S use in an Organization

The figure 4.13 shows the extent of cooperative bank using decision support system in changing times. 24% strongly agreed that there is use of DSS in cooperative bank, 29% agreed, 7% could not agree or disagree, 35% disagreed while 5% strongly disagreed that DSS is used in the organization. This clearly shows that banks should implement the DSS systems to prepare for the change.

Source: Author (2013)
4.2.14 Involvement of Decision in communication

Figure 4.14 Involvement of Decision in communication

Source: Author (2013)

The figure 4.14 shows the extent of how employees are involved in decision making in helping communication in cooperative bank. 31% strongly agreed that fact in cooperative bank, 28% agreed, 6% did not agree or disagree, 34% disagreed while 1% strongly disagreed.

4.2.15 whether Employees receive Training

4.15 Whether Employees receive Training

Source; Author (2013)
The figure 4.15 shows whether the employees receive training in cooperative bank. 25% strongly agreed that training is done in cooperative bank, 28% agreed, 5% did not agree or disagree, 38% disagreed while 4% strongly disagreed. This shows that the bank does not take training seriously to its employees. There is a need to train employees during the introduction of BPR in the bank.

4.2.16 Employee given intrinsic and extrinsic rewards

Figure 4.16 Employee given intrinsic and extrinsic rewards

![Pie chart showing employee responses to intrinsic and extrinsic rewards.]

Source: Author (2013)

From the figure 4.16 shows how employees are given intrinsic or extrinsic rewards. 19% strongly agreed that employees are given financial and non-financial rewards in cooperative bank, 29% agreed, 10% did not agree or disagree, 34% disagreed while 8% strongly disagreed. This shows that Cooperative bank does not reward effectively to the employees the intrinsic and extrinsic rewards.
4.2.17 Leadership sensitivity to work force

The data in the figure 4.17 shows how sensitive the leaders are to the employees in their needs. 19% strongly agreed that leaders are sensitive to employees' needs, 29% agreed, 10% did not agree or disagree, 34% disagreed, while 8% strongly disagreed.

Source: Author(2013)

4.2.18 Employee aquinted with IT systems

Source: Author(2013)
The data analysis in figure 4.8 above shows how the employees are acquainted with the BPR systems in the bank. 21% said that employees are acquainted with the IT systems which they strongly agreed, 36% agreed, 12% neither agreed nor disagreed, 29 disagreed on that fact while 2% strongly disagreed. This indicates that the bank needs to help all the employees be acquainted with the new systems.

4.2.19 Supervisors sensitivity to employee needs

4.19 Supervisors sensitivity to employee needs

From the data in the figure 4.19 shows how sensitive the leaders are to the employees in their needs. 19% strongly agreed that leaders are sensitive to employees needs, 29% agreed, 10% did not agree or disagree, 34% disagreed while 8% strongly disagreed.
4.2.20 Employees satisfied with IT systems

The data in the figure 4.20 shows how employees are satisfied with the IT systems. 21% strongly agreed that they are satisfied with the IT system in the bank, 29% agreed, 8% did not agree or disagree, 33% disagreed while 9% strongly disagreed. This means most of the employees are not comfortable with the IT systems in the bank.

4.2.21 Sharing of the information in the Organization

Source: Author (2013)
4.2.22 Frequency of Training

Figure 4.22 Frequency of Training

The data analysis in the figure 4.22 above shows how Cooperative bank employees are frequently trained. 17% strongly agreed that they are trained frequently, 31% agreed, 3% could not agree or disagree on the fact, 41% disagreed that there is training in cooperative bank while 8% strongly disagreed the fact that there is training employees in the bank. This indicates that training is needed in the bank to ensure that employees acquire necessary skills and knowledge.

4.2.23 Comfortability with reward systems

Figure 4.23 Comfortability with reward systems

Source: Author (2013)
From the figure 4.23 above shows that out of the total respondents who strongly agreed that they are comfortable with the reward systems in the bank were, 17%, 24% agreed, 8% neither agreed nor disagreed. 37% disagreed that they are okay with the reward systems, while 4% strongly disagreed. This implies that better rewards for employees need to be adopted.
5.1 Introduction

The main objective of the study was to investigate the effects of BPR on employees morale in banking sector in Kenya. To facilitate the study, a questionnaire was formulated and administered to various employees from different departments. This chapter summarizes the findings of the study in relation to the major issue raised with respect to the objectives of the study, answers to research questions and provided as well as recommendation, conclusions and suggestion for further studies.

5.2 Summary of Findings

5.2.1 What role does organizational leadership play on employee morale in banking sector?

According to the findings, in banking business leadership is there to provide direction, implementing procedures and plans and motivating people. For better business process reengineering leadership should be based on the strengths, weaknesses, opportunities, needs, beliefs. Efficiency and effectiveness in an organizational leadership should be integrated by use of BPR techniques to ensure every activity is streamlined. Majority of the respondents strongly agreed that leadership is a big challenge during business process reengineering to impact on morale.

5.2.2 To what extent does information technology affect the morale in banking sector in Kenya?

According to the findings, in today’s business environment, the advancement of technology has increased the efficiency, effectiveness of new techniques between financial organizations. Majority of the respondents on the extent of how technology affects employees morale in banking sector strongly agreed that better technology should be sourced when BPR changes are taking place. It is important for organizations to identify the role of technology in banking and business process reengineering activities.
5.2.3 What is the effect of effective communication on the employees morale in banking sector?

The study found that many of the respondents said that ineffective communication is a barrier when changes are taking place in banking sector. Without better and effective communication in an organization it's impossible to keep and motivate the employees when there is change. They feel neglected, non participative to organization decisions as their opinions are not recognized. All essential information on changing the organization must be communicated to employees to implement the laid down plans. Better and timely communication encourages the employees to keep on working for a certain organization for long duration.

5.2.4 What role does training play on the employee morale in banking sector in Kenya?

According to majority of the respondents when reengineering is introduced in an organization training becomes a very important tool to employees to sustain them. It is the field which is concerned with organizational activity aimed at bettering the performance of individuals and groups during any particular time to improve performance. Training is the most important way to enrich the employees with skills and enough knowledge to help in work efficiently and effectively. Organizations should focus towards employee talent management through giving of training to most of its workers when a change is introduced.

5.2.5 To what extend does reward systems affect on employee performance?

Reward systems are very crucial in organization introducing change. Management has to build an effective team in their operations during a change period, then reward would not be a problem. Diverse groups would think in terms of the long term benefits of reengineering and come out with ideas of benefit sharing which are the rewards to them. In Order to increase employee's morale should be recognition and reward policies on the employee's activities, performance and behaviour. Performance, during a change period
an organization can implement an incentive plan and recognize the top performing employees in a certain period

5.3 Conclusions

The study made conclusion that when the leadership towards redesign in an organization is improved, there is much satisfaction by employees, regardless of the working conditions. Banking sector should have better leaders who can give a good direction to employees during change period. Only financial institutions with better and compatible leadership style and prepared to change will survive in the market.

It was concluded that banking institutions cannot avoid the dynamic environment through information technology. The overall Business process reengineering operation in an organization like organizational communication and decision making strategies depend on various tools of information technology. The success of an organization involves the active participation of employees in technology wise.

The study made conclusions that when understanding of BPR systems is achieved through better passing of information every flow of activities is efficient. This ensures that the organization activities are well controlled and coordinated for the success and achievement of organizational objective and organizational change which is the key aim for the life of any firm to survive.

Training employees during change time motivates them. Motivating and indicates that they are of great importance to the success of the firm while lack of training may force the firm to send most of the employee's home and retain those with qualification. It's upon an organization when changes are made to take the responsibility of training and impacting knowledge employees about the change instead of laying off. This encourages a background for employee's morale.

The study made conclusions that when a firm assures employees of better rewards, before, after the change, all the intrinsic and extrinsic rewards are felt in them. This Morales them to continue with the organizational operations. Compensation package should be considered when BPR is introduced.
After thorough analysis of the findings, it emerged that leadership style is a driver to any bank to succeed. It helps in achieving the desired objectives through leaders trust and better leadership skills to help get what the bank requires. It is upon the bank to ensure that issues concerning leadership are taken into consideration.

5.4 Recommendations

5.4.1 Leadership Style

The study recommends that financial organizations should ensure that it adopts the best leadership style such that it should give better banking decisions and strategies towards business process re engineering. Through that cooperative bank will be able to have the best idea forward.

5.4.2 Information Technology

The study recommends that there is need for any banking institution to carry along with the modern technology in all the business process re engineering activities and use of better technologically services. They should emphasize on use of information communication technology which allows efficient operation in the dynamic environment to give best output in the change.

5.4.3 Effective Communication

The study recommends that any banking institutions should ensure that there is extensive research on how to ensure that communication is achieved in all levels of management when communication is good in every level the new changes do not effect on employees because they know what is expected of them.

5.4.4 Training

The study recommends that financial organizations should have employees trained during introduction of business process re engineering. Training Morales most of the employees when changes are taking place. Employees feel good when acquainted with the systems. Training should be done periodically.
5.4.1 Reward Systems

The study recommends that human resource department should be very keen on the reward packages of the employees. They should communicate the type of reward expected by the employees during BPR.

5.5 Suggestions for Further Studies

The research study was not able to cover all aspects of the effects of BPR on employee’s morale in banking sector. Therefore more study should be done on the same. Further research should be done on how to ensure that any changes in the bank should not affect employees negatively in order to boost their morale.
REFERENCES


American Publication. Change Management, Pg 12. USA.


APPENDIX I:

Introduction Letter

I am a Masters of Business Administration student in The Kenyatta University pursuing Business Administration in Human Resource Management and wish to conduct a study on the effects of business re-engineering on employees morale in banking sector in Kenya. I wish to inform you that your organization was the one selected for the study. The information and data being sought is purely for academic purposes and utmost confidentiality will be observed. I am kindly requesting for your assistance in the course of the study.

Thank you in advance.

Kimuru James Gachoki.
APPENDIX II: QUESTIONNAIRE

AN INVESTIGATION ON THE EFFECTS OF BUSINESS REENGINEERING PROCESS ON EMPLOYEE MORALE IN BANKING SECTOR IN KENYA

Kindly answer the following questions as accurately as possible. Your individual response is strictly confidential and anonymous. Your answers shall be used for academic purposes only. Please tick in the box [ ] corresponding to whatever your choice is or state briefly where necessary.

Section A: Personal Information

1. Gender
   (a) Male [ ]   (b) Female [ ]

2. Age Bracket
   (a) 20–25 [ ]   (b) 25–30 [ ]
   (c) 30–35 [ ]   (d) 35 and Above [ ]
   (e) 46 years and above [ ]

   (a) 10 and below [ ]   (b) 10 – 20 years [ ]
   (c) 20–30 years [ ]   (d) 30–40 years [ ]
   (e) 40 years and above [ ]

4. Highest level of education:
   (a) Secondary Education [ ]   (b) College [ ]
   (c) University Degree [ ]
TOP MANAGEMENT

Section B: Organizational Leadership

1. What kind of leadership is offered in your banking institution?
   (a) Bureaucratic  (b) Democratic  (c) Laizzez Faire

2. I give the best of my leadership skills to the bank
   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

Section C: Information Technology

3. The organization has new IT systems for improving the efficiency
   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

4. Kindly explain what mechanisms you use to ensure better IT is incorporated in you bank for morale purpose.

   ........................................................................................................................................................................
   ........................................................................................................................................................................

Section D: Communication

5. All the decisions made are entirely disseminated to the rest of the organization
   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )
Section E: Training

6. I give enough financial resources to help employees updating their skills

<table>
<thead>
<tr>
<th>Strongly Agree 5mks ( )</th>
<th>Agree 4mks ( )</th>
<th>Neither agree or disagree 3mks ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree 2mks ( )</td>
<td>Strongly disagree 1mk ( )</td>
<td></td>
</tr>
</tbody>
</table>

7. At what interval do you ensure training programs are done?
   (a) Monthly          (b) Quarterly in a year
   (b) Half in a year   (d) Yearly

Section F: Reward systems

8. I offer better rewards for all employees

<table>
<thead>
<tr>
<th>Strongly Agree 5mks ( )</th>
<th>Agree 4mks ( )</th>
<th>Neither agree or disagree 3mks ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree 2mks ( )</td>
<td>Strongly disagree 1mk ( )</td>
<td></td>
</tr>
</tbody>
</table>

9. The employees turn over is least in the Bank

<table>
<thead>
<tr>
<th>Strongly Agree 5mks ( )</th>
<th>Agree 4mks ( )</th>
<th>Neither agree or disagree 3mks ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disagree 2mks ( )</td>
<td>Strongly disagree 1mk ( )</td>
<td></td>
</tr>
</tbody>
</table>
MIDDLE LEVEL MANAGEMENT

Section B: Organizational Leadership

1. My team leader/manager develops people's abilities towards any BPR change

   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

Section C: Information Technology

2. Do you have the right decision support system you use for organizational morale.

   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

3. Kindly explain how you ensure that IT is sufficiently used by the top and operational management in response to your answer.

   ............................................................................................................................................................
   ............................................................................................................................................................

Section D: Effective Communication

4. I am satisfied with my involvement in decisions that affect the organization work flow

   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

5. Kindly share how you overcome organizational decision barriers
Section E: Training

6. My team people receive adequate training for their job.
   Strongly Agree 5mks ( ) Agree 4mks ( ) Neither agree or disagree 3mks ( )
   Disagree 2mks ( ) Strongly disagree 1mk ( )

7. Kindly share some helpful information relating to your answer

Section F: Reward systems

8. Employees are given better financials and non financial rewards in the bank
   Strongly Agree 5mks ( ) Agree 4mks ( ) Neither agree or disagree 3mks ( )
   Disagree 2mks ( ) Strongly disagree 1mk ( )

9. Employees work for extra hours without problem
   Strongly Agree 5mks ( ) Agree 4mks ( ) Neither agree or disagree 3mks ( )
   Disagree 2mks ( ) Strongly disagree 1mk ( )
OPERATIONAL STAFF

Section B: Organizational Leadership

1. My supervisor is sensitive to my needs when making decisions affecting my work.
   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

Section C: Information Technology

2. I am well acquainted with the IT systems to do my work efficiently
   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

3. Kindly explain how IT systems affect your morale in your work place.

   ............................................................................................................................
   ............................................................................................................................

4. Employees feel satisfied with the use of IT systems
   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

Section D: Effective Communication

5. My team leader shares all the vital information to us regarding our work and the organization
   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )
Section E: Training

6. I get frequent training programs in my organization

   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

Section F: Reward systems

7. Am comfortable with the reward systems given by the bank on performance basis

   Strongly Agree 5mks ( )  Agree 4mks ( )  Neither agree or disagree 3mks ( )
   Disagree 2mks ( )  Strongly disagree 1mk ( )

8. Kindly explain how reward system affects employee’s morale in banking sector.

   ........................................................................................................................................
   ........................................................................................................................................
   ........................................................................................................................................

Thank you for your participation and co-operation.
## APPENDIX III

### Budget

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flash disks</td>
<td>3,000/</td>
</tr>
<tr>
<td>Printing and stationery</td>
<td>9,000/</td>
</tr>
<tr>
<td>Travelling expenses</td>
<td>15,000/</td>
</tr>
<tr>
<td>Binding</td>
<td>1,000/</td>
</tr>
<tr>
<td>Photocopying</td>
<td>2,000/</td>
</tr>
<tr>
<td>Data collection and analysis</td>
<td>5,000/</td>
</tr>
<tr>
<td>Air time and internet services</td>
<td>4,000/</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>Ksh. 39,000/</strong></td>
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## APPENDIX IV
### Timeframe

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Description</th>
<th>Due date</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Stage 1: Area of interest identified</td>
<td>January</td>
<td>Done</td>
</tr>
<tr>
<td>2</td>
<td>Stage 2: Specific topic selected</td>
<td>June</td>
<td>Done</td>
</tr>
<tr>
<td>3</td>
<td>Stage 3: Topic refined to develop proposal</td>
<td>June</td>
<td>Done</td>
</tr>
<tr>
<td>4</td>
<td>Stage 4: Proposal written and submitted</td>
<td>November</td>
<td>Done</td>
</tr>
<tr>
<td>5</td>
<td>Stage 5: Collection of data and information</td>
<td>April</td>
<td>Done</td>
</tr>
<tr>
<td>6</td>
<td>Stage 6: Analysis and interpretation of collected data/information</td>
<td>April</td>
<td>Done</td>
</tr>
<tr>
<td>7</td>
<td>Stage 7: Writing up</td>
<td>April</td>
<td>Done</td>
</tr>
<tr>
<td>8</td>
<td>Stage 8: Final draft prepared – submission of final project</td>
<td>April</td>
<td>Done</td>
</tr>
<tr>
<td>9</td>
<td>Final Deadline: maximum ten months after starting the project</td>
<td>April</td>
<td>Done</td>
</tr>
</tbody>
</table>