

Business Process Reengineering in Commercial Banks: A Case Study of Andhra Bank

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Competition, globalization and information technology gave rise to serious transformation in the world of business and most importantly the customers' needs, choices, preferences and awareness have become an important factor in the process of transformation. Business Process Reengineering (BPR) is a "transformation" as opposed to 'change' that alters the basic rhythm and character of the organization. In the banking sector, High - technology banking via information technology is revolutionizing the relationship between customers and financial institutions emphasizing re-engineering. The purpose of this paper is to examine the role and impact of BPR for which Two structured Questionnaires are designed. The data was analysed basing on results developed by SPSS software. The findings are (1) the prime objective of BPR in Andhra Bank was to reduce the process time in business operations and to strengthen the bank, (2) the customers and employees favoured implementation of BPR. It can be concluded that BPR as it is practiced is understood in the narrow sense as a mere up gradation of technology. Any change in technology should be accompanied by change in human attitude and values as BPR is not a one-time solution rather it is a continuous process of screening and re-engineering to bring about excellence in the service delivery to stakeholders.

Keywords:

INTRODUCTION

“The old order changeth, yielding place to new. The only certainty in the world is that there will be change”

Business Process Reengineering (BPR) concerns the fundamental rethinking and radical redesign of a business process to obtain dramatic and sustained improvements in quality, cost, service, lead time, flexibility and innovation. BPR focuses on the whole process of starting from product conceptual stage to final product design. It provides an opportunity to reengineer the process or to reduce radically the number of activities it takes to carry out a process with the help of advanced Information Technology (IT). In a way

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BPR is a “transformation” as opposed to ‘change’ that alters the basic rhythm and character of the organization.

In the world of business, changes to a large extent are caused by economic recession and market forces of demand and supply. In addition, Competition, globalization and information technology gave rise to serious transformation in the world of business and most importantly the customers’ needs, choices, preferences and awareness has become an important factor in process of change as the market has changed from sellers’ market to buyers’ market. Similarly the business arena in the service delivery industry like banking sector local or global is replete with banks that have undergone dramatic changes in recent times. The environment which engulfs the banking sector on one side provides the resources, opportunities for its existence and on the other hand imposes determinants what a bank can or cannot do. If a bank is to survive, grow and remain prosperous, it must adapt itself to the demands of the changing environment. All of these changes have made it imperative for the banking sector to begin to rethink new, better and more effective ways of doing business for a prosperous existence.

In the banking sector, emphasis is now laid on re-engineering efforts as a means to improving organizational performance because the patterns of competitive advantage in the banking industry have changed dramatically over the years. High – technology banking via information technology is revolutionizing the relationship between customers and financial institutions such that sustained growth requires more than just reckless risk taking. As consumers increasingly demand for 24 hours banking services from the industry, banks that must remain competitive and relevant should be ready to offer electronic services that exceed their customers’ expectations. Moreover as business increasingly becomes globalized and bank customers equally spread their clientele, banks must reposition themselves to meet and exceed customer needs of fast funds movement across the globe. Banks have tried to respond to these challenges by way of re-engineering their operations and organization set ups. It is inevitable for any bank to perform without reengineering their processes. The BPR is not a one-time solution rather it is a continuous process of screening and re-engineering to bring about excellence in the service delivery to stakeholders. The Andhra Bank has started re-engineering from the early stages in accordance with the changes in the banking sector in India. It re-engineered its operations in order to survive and remain competitive in the industry.

Objectives of the Study

The objectives of the present study are as follows:

1. To examine the role of Business Process Re-engineering in Andhra Bank.
2. To Study the impact of Business Process Re-engineering on financial performance of Andhra Bank.
3. To find out the Impact of Business Process Re-engineering on Employees of Andhra Bank.
4. To Evaluate the Impact of Business Process Re-engineering on Customer satisfaction in Andhra Bank.

Research Methodology

Primary data is collected from sample customers and employees from sample branches of Andhra Bank of Visakhapatnam based on stratified sampling technique. Data has been collected using two different sets of structured questionnaires for employees and customers in order to study the impact of Business Process reengineering in their banks. The questionnaires for employees and customers included questions related to Business Process Reengineering (BPR).

BPR is implemented in Andhra Bank in the year 2000-2001. To study the differences brought out by BPR, the study period is taken as 20 years, that is from the year 1992 to 2011 and divided into two such-periods 1992-2001 (Pre BPR) and 2001-2011(Post BPR).

Around 35 branches of the bank were selected. The sample branches were selected in and around Visakhapatnam district with varying number of employees. Each branch had 5-15 employees but the employees who were interviewed mainly assistant managers, branch managers and senior employees in the grade of clerks, cashiers as they could give relevant information regarding BPR as implemented in Andhra Bank.. The senior employees at all grades gave detailed information regarding changes that occurred due to implementation of BPR at Andhra Bank. Almost all the employees filled the questionnaire in the process of interviewing them. The sample employees constituted 125 in number.

Sample customers were selected from 25 branches in Visakhapatnam at 10 customers from each branch (25 X 10) i.e. 250 sample customers. The choice of customers and employees is based on stratified sampling technique.

The tools used for analysis of the data can be broadly classified as descriptive and inferential. In descriptive analysis an attempt has been made to explain the characteristic features of variables. For pre and post re-engineering periods growth performance of the bank has been analysed by using simple

statistical techniques like count, percentages, mean, weighted averages etc.

An inferential analysis for the study has been carried out by using ratios and paired T-test. Bank's performance has been analyzed using parametric tests for comparing pre and post Business process re-engineering periods. T-test is a measuring tool to assess goodness of a test and to compare two competing test procedures. Statistical package for Social Sciences (SPSS) is used to generate necessary statistical tests.

1. Role of BPR at Andhra Bank

Banking industry in India is passing through a metamorphosis. In 2000-2001 large scale induction of technology, liberalization, deregulation, etc., have widened the horizons of banking industry. Product innovation and reengineering aimed at value enhancement are redefining the way, banking is transacted. The re-engineering of business processes at Andhra Bank started by realizing the need to stay tuned to the changing times in the year 2000-2001.

The prime objective of BPR in Andhra Bank was to reduce the process time in business operations and to strengthen Bank's ability to acquire new customers, increase customer satisfaction through world class service quality by

- Reducing the layers of decision making
- Empower staff at all levels
- Customer focused decisions to be taken nearer the customer location
- Empower the staff at the counter so that response time across the counter is minimized
- Step up operational efficiency.
- To increase business volumes
- To increase productivity and profitability
- And add quality in all its pursuits
- Enhance the stakeholders' value.

In the year 2000-2001 the bank has internalized a well thought out growth strategy as part of Business process reengineering. On date 400 branches of Andhra Bank in major growth centers were computerized. The bank has reorganized its operating structure. To remain efficient and competitive, it is necessary to be of right size. The re-engineering process started with voluntary retirement scheme. Under review the bank restructured its controlling offices through a process of merging contiguous offices which was done in tune with suggestions made in the study report of the National Institute of Bank Management and also by a Management consultant from the Administrative Staff College of India.

To realize the corporate objective of providing excellent customer service with an ultimate goal of “Customer Delight”, the following important measures have been initiated. Installation of a toll free telephone at Head Office for the benefit of customers. Extended hours of business and Sunday banking in selected branches. “Anywhere Banking” through intra city connectivity among selected branches. “Lobby Banking”, “Corporate Terminals” and other IT based services at important centers.

The Board and Management of the bank have been attaching considerable importance to improve the ability to identify, measure, monitor and control the overall level of risks undertaken. Bank has in place credit risk management committee and the credit risk management process is articulated in the Bank’s Loan Policy. The bank has a carefully formulated scheme of delegation of powers for various functional layers.

A credit committee is set up at corporate level and at zonal offices. The credit sanction framework ensures reporting and evaluating the quality of credit decisions taken by various functional authorities. Bank has a comprehensive and structured risk scoring/ rating system to measure the Credit risk. Loan Review mechanism is an effective tool for constantly evaluating the quality of loan book and to bring about qualitative improvements in credit administration.

Asset-Liability Management Committee is functioning as the top operational unit for managing the balance sheet within the performance/ risk parameters laid down by the board. Bank reviews internal control systems on an ‘on-going’ basis and also endeavours to attune them to the changing needs.

In light of the market dynamics, the bank initiated measures to make its credit card business a separate ‘Profit Centre’ for the bank. Various steps to provide more facilities to card holders have been taken which include issuance of Electronic Card, Revolving Credit Facility, Online billing. Measures have also been initiated to substitute the existing electronic data capture (EDC) terminals with Electronic Point of Sale (EPOS) through outsourcing in line with the market trends.

Income recognition standards are becoming stringent. Expansion of quality loan assets in the aggressive and competitive loan market, major challenges are met with different strategies by the bank. Empowerment of officials with delegated powers, focused training in credit management, skill development in appraisal and post disbursement follow up and above all totally motivated commitment across all management tiers will work for expansion of credit and quality loan assets.

Customers have become computer savvy. Banks which can provide IT based services are being preferred by customers. The adaptation of technology in banking extended the 'reach' and also enabled the banks to maneuver the constraints of time and venue in extending banking services. Keeping pace with the latest developments of technology became a challenging and stupendous task. Computerization of branches, Satellite Networking through VSAT and leased lines for cluster approach to build effective management information system (MIS) and Decision support system. This will speed up decision making process, effective monitoring and better customer service. To cope up with present day demands and due to increase in volumes of business in computerized environment, the bank has initiated "BPR" which helps in reducing the process time in business operations. Bank introduced 'Electronic Funds Transfer (EFT)'

The process of globalization and liberalization accelerated the pace of growth and thereby providing greater opportunities for Banking. In the competitive environment, mobilization of resources, retaining and expanding customer base has become a major challenge. Looking to the challenges ahead to face competition, the bank has geared itself by taking steps to provide advanced training to its executives at various levels, including Branch incumbents so as to further improve the professional skill. 'Anywhere Banking' through technology up gradation and linkage of large number of branches would be the main thrust area.

Thus the bank in the implementation years has concentrated on internalization of out growth strategy with particular reference to empowerment of staff i.e. delegation of powers to staff to reduce the layers of decision making, thus reducing process time in business operations.

Impact Of BPR On Financial Performance Of Andhra Bank.

The financial performance factors such as Growth, Productivity, Quality of Assets and Profitability of Andhra bank showed significant difference between the pre and post BPR periods. From the Paired T-Test computed the t-statistics and the probability value (p-value), it is observed that there is significant difference between the pre and post re-engineering periods for all the performance factors, all the p-values are below the paired t-test value 0.05. except for Capital adequacy ratio in Andhra Bank, the p-value 0.264 is above the paired t-test value 0.05 and Net Interest Income as a percentage of Total Assets in Andhra Bank, the p-value 0.304 is above the paired t-test value 0.05 implying that there is no impact of BPR.

Table 1. Financial Performance of Andhra Bank.

	Avg. growth rate in Pre-BPR	Avg. growth rate in Post-BPR	P-value
Growth of Andhra Bank			
No. of offices	0.69	4.35	0.000
Number of employees	-0.63	0.99	0.005
Employees per branch	15	10	0.000
Net profit in crores	-157.25	23.22	0.000
Deposits in crores	17.22	17.36	0.000
Advances in crores	15.29	22.55	0.001
Business in crores	16.66	19.82	0.001
Productivity in Andhra Bank			
Business per employee	14.5	18.42	0.000
Profit per employee	-148.65	22.06	0.000
Deposit per employee	19.20	14.60	0.000
Advances per employee	18.00	21.36	0.001
Business per branch	15.70	12.70	0.000
Deposits per branch	16.50	12.20	0.000
Advances per branch	16.10	17.35	0.000
Quality of Assets			
Gross NPA's as percentage to Advances	-9.60	-9.56	0.000
Gross NPA's as percentage to Total Assets	-9.45	-16.38	0.000
Net NPA's as percentage to Advances	1.37	-6.20	0.000
Net NPA's as percentage to Total Assets	-2.20	-3.71	0.000
Profitability of Andhra Bank			
Capital adequacy ratio	25.15	1.86	0.264
Operating expenses as a percentage to Total Assets	-5.67	-2.71	0.000
Interest income as percentage of Total Assets	-0.20	-2.07	0.003
Interest expended as percentage to Total Assets	-0.23	-2.82	0.000
Net interest income as percentage to Total Assets	2.95	1.32	0.304
Gross profit/loss as percentage of Total Assets	-9.72	3.57	0.006
Net profit/loss as percentage of Total Assets	-164.14	4.00	0.013

3. Impact of BPR on Employees of Andhra Bank

3.1 Perception of Employees

From the Table 3.1 Objectives of BPR – employee's perceptions, the prime objective of the bank is "Speedy operations" followed by cost reduction in operations, accuracy of transactions, adoption of latest technology, to create new customers, to satisfy existing customers, to win over competitors, better customer services, reducing cost of employees, easy rectification of errors and lastly reduction of staff. This shows that the employees' main objective is speedy operations, but it can be observed that better customer service is ranked as eighth objective which shows that employees are doing the job mechanically. The customer opined that the services at the bank are poor, the employee responding to the customer is poor and are always in hurry

to clear the pending jobs. This is evident from the ranking of employee's responses to be speedy operations.

Table 2. Objectives of BPR – Employees' Perceptions

S.No.	Particulars	Weighted Score	Average Score	Rank
1.	Cost reduction in operations	958	7.7	2
2.	Accuracy of transactions	953	7.6	3
3.	Speedy operations	1020	8.2	1
4.	Better customer services	719	5.8	8
5.	Adoption of latest technology	908	7.3	4
6.	Reducing cost of employees	651	5.2	9
7.	Reduction of staff	475	3.8	11
8.	Easy rectification of errors	592	4.7	10
9.	To satisfy existing customers	746	6.0	6
10.	To create new customers	841	6.7	5
11.	To win over competitors	738	5.9	7

Source: Primary data

3.2 Impact on Employees:

From the table 4 BPR and its impact on employees, it may be observed that the bank employees are over burdened after computerization in banks, secondly the employees are losing face to face contact with customers on account of computerization in banks and lastly there is threat on status of employees due to computerization in the banks. There is threat on status of employees due to computerization in the banks (2.6) which shows that the employees have accepted the change and are in the process of adopting to change. It may be observed that the overall average score is 2.69 which are above the average of 2.5 on a five point scale. The first three statements are below the average. In spite of all the statements being negative, the BPR is having a positive impact on the employees further it can be interpreted that the bank has low level of negative effect on the job related aspects of employees of Andhra Bank.

Table 4. BPR and its impact on Employees

S.No.	Particulars	W.S	A.S	R
1.	Computerization in banks does not help to improve efficiency of employees	219	1.7	6
2.	It is difficult for the employees to switch over from manual system to computerized system	236	1.88	4
3.	Most of the bank employees took VRS on account of computerization in banks	229	1.83	5
4.	The bank employees are overburdened after computerization in banks	514	4.11	1
5.	We are loosing face to face contact with customers on account of computerization in banks	504	4.03	2
6.	There is a threat on status of employees due to computerization in the banks	325	2.6	3
	Total	2027	2.69	

Source: Primary data WS = weighted score AS = average score R= rank

Benefits to Bank Employees on account of BPR

From the table 5 Benefits to Bank employees on account of BPR, It may be observed that the top most benefit as per the employees perception is faster customer service with an average score of 7.72, followed by time saving with an average score of 7.25 and thirdly by greater efficiency with 6.52 average score. The total average score is 5.74 which is above the average score of 5.5 on a ten point scale indicating that the employees are positive towards the benefits of BPR.

Table 5. Benefits to Bank Employees on account of BPR

S.No	Particulars	WS	AS	Rank
1.	Faster customer service	966	7.72	1
2.	Reduction in transaction errors and misunderstandings	750	6.00	5
3.	Lower transmission costs	679	5.43	6
4.	Greater efficiency	816	6.52	3
5.	Easy clearance	758	6.06	4
6.	Time saving	907	7.25	2
7.	Increase in the number of banking services	626	5.00	7
8.	Retaining existing customers	607	4.85	8
9.	Provides better management of information	514	4.11	10
10.	Increase in transaction volume	567	4.53	9
	Total		5.75	

Source: Primary data WS = weighted score AS = average score R= rank

Problems of BPR

From the table 6 it may be observed that the most important problem of BPR in banks as per employees perception is lack of trained personnel

(with highest score of 8.48), thus indicating that the banks have implemented BPR but there should be training programmes for the personnel to increase their efficiency and to adopt themselves with the BPR initiatives. Other problems in order of priority are Security concern problems, Data integrity problems, Loss of brain power, Machine failures, Electricity disturbances, threat to the status of employees, threat to security for employees, threat to ego of employees.

Table 6. Problems of BPR

Sno	Particulars	W.S	A.S	Rank
1.	Lack of trained personnel	1061	8.48	1
2.	Loss of brain power	798	6.38	4
3.	Security concern problems	845	6.76	2
4.	Machine failures	749	5.99	5
5.	Data integrity problems	821	6.56	3
6.	Threat to the status of employees	730	5.84	7
7.	Threat to ego for employees	626	5.00	9
8.	Threat to security for employees	666	5.32	8
9.	Electricity disturbances	749	5.99	5
	Total		6.26	

Source: Primary data WS = weighted score AS = average score R= rank

Overall Impact of BPR in Banks

From the table 7, it may be observed that in the opinion of employees there is high impact of bank performance (4.58) as indicated by both financial and operation indicators followed by high impact on customer (4.35), lastly the impact is on employees (3.70). The aggregate level of impact is reflected on the average score being 4.21 indicating that there is a high level of impact of BPR in banks on Bank performance, on customers but the impact on employees is 3.70 which is relatively low when compared to bank performance and customers of the bank.

Table 7. Overall Impact of BPR in Banks

S no	Particulars	W.S	A.S	Rank
1.	On customers	544	4.35	2
2.	On employees	463	3.70	3
3.	On bank performance	573	4.58	1
	Total		4.21	

Source: Primary data WS = weighted score AS = average score R= rank

4. Impact of BPR on Customer Satisfaction in Andhra Bank.

4.1 Objectives of BPR – Positive Customer Perception

From the table 8 Objectives of BPR – Positive Customer Perception, it may be observed that customers perceive “Anywhere anytime Banking”(12.4%)

as the primary objective of BPR in banks followed by faster and efficient customer service and reducing transaction costs(9.2%) as few major objectives of BPR in banks. Other objectives in the order of priority are Speedy operations, Reducing the operational expenses, To enhance operational efficiency, To create new customers, To enhance quality standards of customer service, Centralizing the bank end processes, Offering multiple business delivery channels, To meet the heightened expectations of customers, To focus on the market, To focus on cross selling of products.

Table 8. Objectives of BPR – Positive Customer Perception

Sno	Particulars	No. of respondents	%
1.	Anywhere anytime Banking(ATM)	235	12.4
2.	Faster and efficient customer service	204	10.8
3.	Reducing the operational expenses	166	8.8
4.	Reducing transaction costs	172	9.1
5.	To enhance operational efficiency	164	8.6
6.	To meet the heightened expectations of customers	103	5.4
7.	To focus on the market	97	5.1
8.	To focus on cross selling of products	82	4.3
9.	Offering multiple business delivery channels	117	6.2
10.	Centralizing the bank end processes	128	6.7
11.	To enhance quality standards of customer service	127	6.7
12.	Speedy operations	170	8.9
13.	To create new customers	132	6.9
	Total	1897	100

Source: Primary data

Average time taken for Banking Transactions before and after BPR

Table 9 gives the average time taken for the various banking transactions before and after BPR, it can be concluded that BPR has resulted in saving time of the customers with respect to all the services rendered by the bank. The objectives of BPR of speedy operations, faster and efficient customers of the bank are said to be achieved with the help of implementation of BPR. From the paired sample test the banking transactions before and after BPR shows that there is strong positive correlation. The descriptive statistics for the difference between the two variables i.e. pre and post BPR the significance (2-tailed) value (0.000) is less than .05 in all the transactions, so there is a significant difference between pre- and post-test scores.

Table 9. Paired Sample Test for Banking Transactions

S.No	Transaction	Before BPR (min)	After BPR (min)	Time saved (min)	Corr	mean	Std. dev	T	Sig (2- tailed)
1.	Cash withdrawal	24	12	12	0.5	0.9	0.6	23.14	0.000
2.	Withdrawal through cheques	24	14	10	0.5	0.9	0.6	23.14	0.000
3.	Deposit of cash	23	15	8	0.4	0.9	0.7	20.69	0.000
4.	Time spent in opening a new account	30	19	11	0.5	0.8	0.7	19.71	0.000
5.	Obtaining demand draft or pay order	28	19	9	0.4	0.9	0.8	19.08	0.000
6.	Time spent on updating the pass book	27	15	12	0.3	1.0	0.8	19.26	0.000
7.	Clearance of local cheques	4days	2days	2days	0.4	0.1	0.7	26.36	0.000
8.	Clearance of outstation cheques	13days	7days	6days	0.3	1.4	0.7	32.24	0.000

Source: Primary data

Impact of BPR

From the table 10, it may be observed that in the opinion of customers there is high impact of bank performance (4.49) as indicated by both financial and operation indicators followed by high impact on employees (4.32), lastly the impact is on customers (4.16). The aggregate level of impact is 4.32 indicating that there is a high level of impact of BPR in banks on Bank performance, on employees and relatively low on customers

Table 10. Impact of BPR

Sno	Particulars	Weighted Score	Average Score
1.	On customers	1040	4.16
2.	On employees	1082	4.32
3.	On bank performance	1123	4.49
Total Weighted Score		3245	
Weighted Average		4.32	

Source: Primary data

Benefits of BPR in Banks

From the table 11 the majority of respondents ranked first time saving as the top most benefit, Secondly fastness in services, Thirdly home banking facilities followed by easy payments of dues through banks, transparency in facilities, better transfer of funds and so on. The ranking of customers shows that what bank has opined that Customers have become computer savvy and Banks which can provide IT based services are being preferred

by customers. The adaptation of technology in banking extended the 'reach' and also enabled the banks to maneuver the constraints of time and venue in extending banking services.

Table 11. Benefits of BPR in Banks

Sno	Particulars	Weighted Score	Average	Rank
1.	Time Saving	2817	11.27	1
2.	Fastness in Services	2644	10.57	2
3.	Home Banking Facilities	2168	8.67	3
4.	Easy payments of dues through bank	1971	7.88	4
5.	Transparency in facilities	1870	7.48	5
6.	Better transfer of funds	1810	7.24	6
7.	Easy clearances	1660	6.64	8
8.	Easy balance enquiry	1805	7.22	7
9.	24 x 7 round the clock services	1402	5.60	9
10.	Minimizing the chances of fraud	1239	4.95	10
11.	Hassle free in handling of cash	1192	4.76	11
12.	Improved customer services	1023	4.09	12

Source: Primary data

Problems of BPR in Banks

From the table 12 It may be observed that inconvenience due to machine failures (5.93) is ranked as a major problem followed by lack of computer knowledge (4.48), imposing services charges (4.27), absence of guidance on special issues (3.82), losing personal contact with bank staff (3.77), security(3.75), lastly by electricity disturbances (2.98).

Table 12. Problems of BPR in Banks

S.No	Particulars	WS	AS	Rank
1.	Security	938	3.75	6
2.	Inconvenience due to machine failures	1483	5.93	1
3.	Lack of computer knowledge	1121	4.48	2
4.	Imposing service charges	1068	4.27	3
5.	Loosing personal contact with Bank staff	944	3.77	5
6.	Electricity disturbances	745	2.98	7
7.	Absence of guidance on special issues	955	3.82	4

Source: Primary data WS =Weighted score AS=Average score R=Rank

Customer Orientation

From the table 13 it may be observed that 79 percent of the responses of the customers were in favour of implementation of BPR is customer oriented. 21percent of the respondents gave a negative responses that implementation of BPR is not customer oriented.

Table 13. Customer Orientation

S.No.	Particulars	Classification	Total	
			Frequency	percentage
1.	Customer orientation	Yes	197	78.8
2.		No	53	21.2
	Total		250	100.0

Source: Primary data

Findings:

Employees perceived the prime objective of the bank as “Speedy operations” followed by cost reduction in operations, accuracy of transactions, adoption of latest technology, where as Customers perceived “Anywhere anytime Banking” as the primary objective of BPR in banks followed by faster and efficient customer service and reducing transaction costs. From the paired sample test the banking transactions before and after BPR shows that there is strong positive correlation. The descriptive statistics for the difference between the two variables i.e. pre and post BPR the significance (2-tailed) value (0.000) is less than .05 in all the transactions, so there is a significant difference between pre- and post-test scores.

BPR and its impact on employees, the overall average score is 2.69 which are above the average of 2.5 on a five point scale. In spite of all the statements being negative, the BPR is having a positive impact on the employees and the bank has low level of negative effect on the job related aspects of employees of Andhra Bank. Employees and Customers opined that the impact of BPR is more on bank performance.

Benefits to Bank employees on account of BPR, The total average score is 5.74 which is above the average score of 5.5 on a ten point scale indicating that the employees are positive towards the benefits of BPR. Whereas the majority of customers ranked time saving as the top most benefit, followed by fastness in services, and home banking facilities.

The most important problem of BPR in banks as per employees perception is lack of trained personnel showing that however effective BPR is, its successful implementation can be achieved only with training programmes for the personnel so that employees can adopt themselves with the BPR initiatives and finally increase their efficiency where as customers perceived that machine failures as prime problem.

The responses of the customers and employees were in favour of implementation of BPR and is customer oriented. Thus the prime objective of BPR in Andhra Bank was to reduce the process time in business operations and to strengthen Bank’s ability to acquire new customers, increase customer satisfaction through world class service quality is said to be achieved from the perceptions of employees and customers.

Conclusion

No doubt BPR is highly successful but it is needed to be further strengthened for its long time survival. BPR is not a one-time solution rather it is a continuous process of screening and re-engineering to bring about excellence in the service delivery to stakeholders. BPR as it is practiced is understood in the narrow sense as a mere up gradation of technology and any change in technology should be accompanied by change in human attitude and values among the employees and customers which brings about a cultural change. The success of BPR depends on commitment of top management which should adopt a top-down approach in communicating its goals and objectives to the lower staff so that on the one hand it should address the fears of employees like downsizing and restructuring and on the other it should promote a healthy working atmosphere. A well satisfied employee is an asset to the bank who is a perfect middle man between bank and customers who represents bank on one side and reports the needs of customers to the bank on the other.

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