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Factors affecting the implementation of business process reengineering: taking into account the moderating role of organizational culture(Case Study: Iran Air)

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Abstract

Business process reengineering (BPR) has been proposed as an effective managerial tool to deal with technological changes as well as the marketing changes in today's competitive markets, which minimizes activities costing across the processes or the entire organization by analyzing and redesigning workflow and processes inside and outside the organization. Unfortunately, the advantages of business process reengineering and how to implement and monitor it have not been known in the Iranian airlines and even taking into account the strategic and important role of this industry in the country's economy, no basic and effective research has been conducted on the use of this process in such companies. The main objective of this study is to investigate the effect of technical factors, human factors as well as the moderating effect of organizational culture on implementing business process reengineering in Iran Air. Research method of this study is applied in terms of its objective and it is descriptive-survey in terms of its method. The statistical population of the study included senior managers, middle managers, operational managers and supervisors and their total number was 312. The results of the analysis of statistical data show that human factors and technical factors affect the implementation of business process reengineering in Iran Air. Organizational culture also moderates the effect of human factors on the implementation of business process reengineering in Iran Air.

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Keywords: business process reengineering; human factors; technical factors; organizational culture

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1. Statement of the problem

Unfortunately, the current lack of attention to the commercial processes of aviation industry has led the industry to be faced with many problems and challenges the industry. Reza Nakhjavani, aviation industry expert and former head of the Civil Aviation Authority, in an interview with cultural heritage news agency in July 2014, severely criticized the performance airline organizations and affiliated companies, including various airlines. He said that these days, all eyes have turned to the government and say that if the government does not pay attention to this industry, not only one of the major factors in the development of our country is destroyed but it was also we should await the unpleasant consequences. One of the unpleasant consequences is reduced profitability and absolute loss-making of the industry (Zarrabi, Mohammadi and Saghaei, 2006).

However, based on the opinion of Hamid Ghavabesh, Secretary of the association of Iranina airlines, in an interview with ISNA in July 2014, underdevelopment and the current problems of Iran's airline industry are not just due to sanctions and most of these problems are internal and thus, internal problems that lead to underdevelopment should be first solved. The researcher believes that by the implementation of business process reengineering in the airline industry, significant results can be achieved. This is because there are financial problems in the management of airlines and airports that with a little care and re-engineering their business processes, the ratio between costs and benefits can be reduced.

Given the nature of business process re-engineering in creating fundamental changes in all aspects of strategy, processes, technologies and human resources, it can be said that this process has a high level of risk and usually about 70 percent of reengineering projects fail in action (Mir-Ghaderi, 2011; Nauman Habib, 2013).

Unfortunately, despite the significant growth of business process re-engineering concepts, all of the organizations that have begun its implementation have not achieved a scientific model that can help them achieve their desired results. Accordingly, organizations need a scientific and basic model to meet their needs based on the existing conditions; however, there is no proper model in the literature. Unfortunately, despite the efforts of the research literature to identify successful models, many researchers have addressed BPR models that have been failed and thus, are not used in this study. So after extensive study of the research literature, the following model is proposed.(Fig 1)

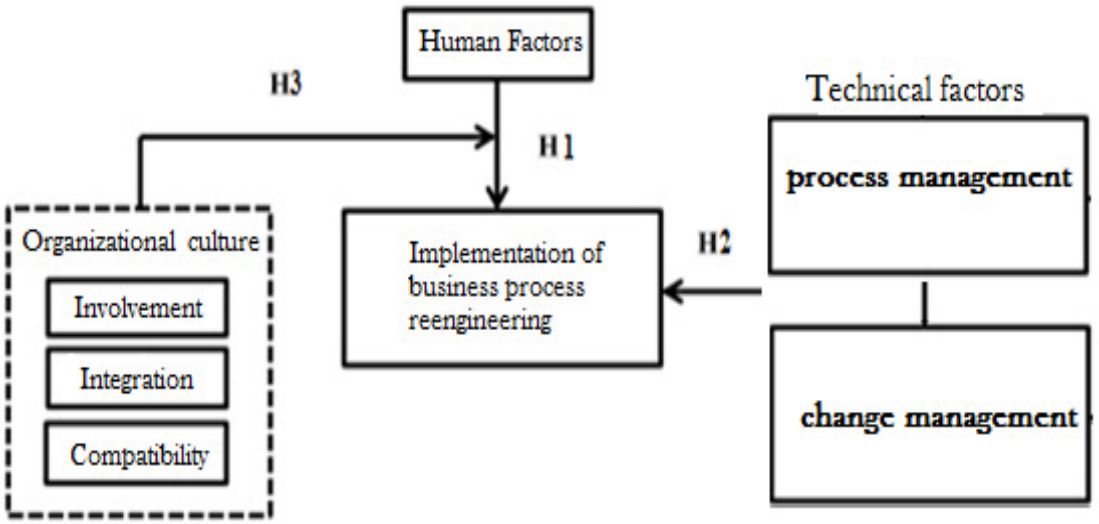

Fig 1.suggested model

2. Hypotheses

The research hypotheses consisted of three main hypotheses and 6 sub-hypotheses as follows: