

Assessment of Business Process Management on Growth Of Petroleum Firms in Changamwe Sub-County

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Abstract: Most companies aim for growth not only to survive but to thrive. However, the concept of organizational growth can vary among different businesses. There are numerous ways a company can assess its growth, but the most significant benchmark is one that reflects progress toward the organization's stated objectives. For the majority of companies, the ultimate goal is profitability, so indicators like net profit, revenue, and other financial metrics are often used as primary indicators of growth. On the other hand, some business owners may gauge growth based on sales figures, employee count, physical expansion, or other criteria. Growth is highly desirable for many companies because it is generally viewed as a symbol of success and progress. Organizational growth serves as a key measure of effectiveness for both small and large businesses and is a central concern for many managers. The objective of this study to determine the effect of business process resources on growth of petroleum firms in Changamwe Sub-County. The research employed a descriptive research design and targeted all 31 petroleum firms in Changamwe Sub-County as the population. Data was collected from respondents through questionnaires. Correlation analysis was conducted using the Statistical Package for Social Sciences (SPSS) software version 22 to examine the relationship between the success of business process management and the growth of petroleum firms in Changamwe sub-county, Kenya. Descriptive statistics involved calculating absolute and relative (percentages) frequencies, as well as measures of central tendency and dispersion, such as mean and standard deviation. Frequency tables and graphs were used to present the data for easy comparison.

KeyWords; *Business Process resources, Organization Growth, Petroleum Firms*

I. Introduction

In recent years, Business Process Management (BPM) has emerged as a crucial methodology or strategy for enhancing the agility of business management. It represents an approach that enables organizations to achieve effectiveness and efficiency by continuously creating and enhancing their business processes in alignment with their business strategies, objectives, and requirements. BPM is recognized as a means through which companies can bolster their competitiveness by providing solutions. Undoubtedly, dynamic and adaptable business processes hold significant importance for all stakeholders involved. Subsequently, the development and implementation of Business Process Management systems (BPMS) have been devised to aid organizations in realizing their BPM objectives and effectively managing business resources and information flows as an intelligent business system.

In Kenya, the practice of business management mirrors global and regional trends, with many organizations striving to enhance their business performance. This drive has led to process improvement initiatives, often involving rebranding, to position companies competitively within the country's economy. The management's objective is to rejuvenate the company's image with the aim of maximizing profits and gaining a competitive edge over other industry players in the country. A notable example of such rebranding efforts can be observed in the Kenyan oil industry, as reported by Wanjihia (2020).

Various management techniques and tools are available for organizations to enhance their growth and operations, and Business Process Management is among the widely adopted approaches to bring about substantial and transformative changes within organizations. Syed, Bandara, French, and Stewart (2018) assert that BPM can be applied to petroleum industries, similar to its application in other profit-oriented organizations. In this context, BPM assists organizations in fundamentally transforming their systems to boost competitive strength, enhance customer service, and eliminate unnecessary costs. Miao (2017) also highlights that the profound changes brought about by BPM lead to significant improvements in various performance metrics, including cost, quality, service, and speed. Recognizing the benefits that BPM offers to organizations, many companies in Kenya have introduced BPM initiatives to enhance and elevate their growth prospects

II. Organizational Growth

Indicators of organizational growth encompass both qualitative and quantitative factors such as customers, profit, and costs, which are employed to assess the magnitude of organizational advancement. To ensure that these factors are integrated into planned activities, organizations must recognize various determinants that influence growth. Managers within an organization define firm goals and establish growth metrics to enhance organizational development. These managers adopt a systematic approach, validated by Timothy (2020), to effectively gauge organizational growth. Understanding how these growth factors interrelate and the process of identifying them is pivotal for an organization's growth improvement efforts.

Organizational growth can be delineated into three primary domains: financial performance, product market performance, and shareholder returns, in accordance with the insights provided by Triandis (2018). The trajectory of an organization's growth is shaped by its strategies, operational practices, financial management, legal considerations, and overall organizational development. This involves the assessment of existing processes, their modification, and the enhancement of efficiency and effectiveness. Strategy management is a widely adopted practice among nearly all organizations, as it plays a crucial role in assessing and optimizing organizational performance (Triandis, 2018).

III. Statement of the Problem

Several investigations have been conducted pertaining to various aspects of business process management within both the private and public sectors in Kenya (e.g., Awino et al., 2015; Muriuki, 2014; Mukokho, 2014; Riungu, 2018; and Odungo, 2012, among others). However, the petroleum industry has been relatively overlooked in the context of studies concerning business management, particularly in the context of exploring the correlation between business process management and growth. Considering the significance of the petroleum industry, which accounts for approximately 80% of the country's commercial energy demands (ERC, 2018), there exists a pressing need to undertake a diagnostic investigation aimed at documenting the practices of business process management within this industry. Furthermore, it is imperative to examine whether such practices have any discernible impact on the growth of firms operating in this sector. Therefore, the fundamental question to address is: What is the influence of business process management on the growth of petroleum companies in Kenya?

IV. Objectives of the Study

To determine the effect of business process resources on growth of petroleum firms in Changamwe Sub-County

V. Literature Review

The implementation of a business process reengineering (BPR) initiative necessitates substantial allocation of resources, encompassing human, financial, and technological assets. The effectiveness and availability of these scarce resources are decisive factors that determine the extent of BPR's impact on organizational growth, whether in the private or public sector. Halachmi and Bovaird (2017) underscore that the successful execution of BPR within an organization hinges on the organization's capability to distinguish value-adding missions and service delivery processes from those that do not contribute value. In summary, financial capacity plays a pivotal role in the triumphant execution of BPR projects within any organization, as highlighted by Kasina (2015).

Findings from a study conducted in Northern Ireland by McAdam and Corrigan (2014), which focused on the implementation of BPR within healthcare services, revealed significant improvements in patient satisfaction, cost reduction, and service delivery enhancement. Nevertheless, organizations encountered challenges in adapting their reward systems, resulting in decreased employee motivation. Furthermore, the performance impact of BPR is closely linked to an organization's size, type, and the human, financial, and technological resources invested in the BPR project.

Human resource enablers, as elucidated by Goksoy et al. (2016), revolve around job motivation, human resource policies, and the development of new process-related skills. The human element is a critical aspect of an organization's daily success, performance, and operations. Failure to retrain and educate personnel can lead to the failure of reengineering efforts. Al-Mashari and Zairi (2016) advocate for active and inclusive involvement of all individuals, including process owners and line managers, through open leadership consultation at all stages of the BPR process.

VI. Conceptual Framework

VII. Research Methodology

This study adopted a descriptive research design, Kothari, (2004) describes descriptive research as including survey and facts finding enquiries adding that the major purpose of descriptive research is description of affairs as it exists at present. Descriptive research determines and reports the way things are and attempts to describe such things as possible behaviour, attitudes, values and characteristics, (Mugenda & Mugenda, 2013). Census technique was employed where all the 93 employees from the petroleum firms were involved for the study. The current study used questionnaires in data collection. Questionnaires enables the researcher to obtain large amounts of information from the respondents thus suited the current study. The current study applied descriptive and inferential statistical data analysis methods. Descriptive data analysis incorporated parentages, means and standard deviations to describe the study variables. Inferential data analysis employed correlation analysis and linear regression analysis to establish the relationship between business process resources on growth of petroleum firms in changamwe sub-county. Statistical Packages for Social Sciences (SPSS) aided the data analysis and the findings were presented through tables. Regression analysis was conducted using the following model:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Where: Y it = Growth of firms

X1= Business process resources

β_0 is the intercept and β_1 , is the coefficients

e = error term

7.Findings

This section outlines the descriptive and inferential findings of the study.

7.1 Descriptive Findings

The respondents were asked to indicate whether business process resources affected the organization growth in the petroleum firms in Changamwe in Mombasa. The results are indicated by Table 1

Table 1: BPR and Organization’s Growth

	N	Min	Max	Mean	Std. Dev.
The organization has increased its budgetary allocation to implement BPR	81	1	5	3.91	.853
Resources have been allocated to organize BPR Bench marking tours to other firms that have effectively implemented BPR	81	2	5	4.26	.741
The organization has spent considerable investment in effecting change management	81	1	5	3.94	.802

The organization has allocated more finances to train employees on BPR processes	81	3	5	4.14	.733
New software solutions have been used in BPR	81	2	5	4.31	.796

Source : Survey 2023

The study as shown in Table 4.5 revealed that the organization has increased its budgetary allocation to implement BPR(mean = 3.91; std dev = 0.853). The respondents also agreed that resources have been allocated to organize BPR bench marking tours to other firms that have effectively implemented BPR (mean = 4.26; std dev = 0.741). Moreover majority of the respondents agreed (mean = 3.94; std dev = 0.802) the organization has spent considerable investment in effecting change management. The respondents also agreed that (mean = 4.14; std dev = 0.733)the organization has allocated more finances to train employees on BPR processes. Finally the study established that respondents strongly agreed that (mean = 4.31; std dev = 0.796) new software solutions have been used in BPR . The standard deviation ranged between 0.733 and 0.853 indicating that the dispersion of the respondents from the mean was minimal. This implies that the variance of the highest respondents and the lowest respondents was small. The study agrees with Kassahun (2017) who argues that BPR resources is a critical success factor in organization performance. This research demonstrates that BPR resources are significant in private sector.

Table 2: Organizational Growth

	N	Mini num	Maxim um	Mean	Std. Deviation
The organization has improved on its cost-to-income ratio after Business Process management	81	1	5	3.93	.906
The firm has posted better financial results after the implementation of the Business Process management	81	2	5	3.74	.901
The organization has posted better profitable on revenue streams that were not profitable	81	3	5	4.33	.742
The firm has been able to reduce the cost of operational processes after business process management	81	2	5	4.01	.991
The firm has improved on its return on investment after Business Process management	81	3	5	3.97	.811

Source : Survey 2023

From the findings the respondents admitted that the organization has improved on its cost-to-income ratio after Business Process management (mean = 3.93; std dev = 0.906). The respondents further agreed that the firm has posted better financial results after the implementation of the Business Process management (mean = 3.74; std dev = 0.901). The organization has posted better profitable on revenue streams that were not profitable. (mean = 4.33; std dev = 0.742). The respondents agreed that the firm has been able to reduce the cost of operational processes after business process management. (mean = 4.01; std dev = 0.991). The respondents further agreed that the firm has improved on its return on investment after Business Process. (mean = 3.97; std dev = 0.811).

7.2 Correlation Analysis

In addition, the study sought to establish correlation between BPR and growth of petroleum firms in Changamwe sub county. The findings of the study are as shown in Table 4.10.

Table 3: BPR and Organizational Growth

Growth of Petroleum Firms		
BPR	Pearson Correlation	.563*
	Sig. (2-tailed)	.014
	N	81

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Survey 2023

The relationship between BPR and growth of petroleum firms in Changamwe sub county was established to be positive, and statistically significant ($r = 0.563$; $p = 0.014$). This implies that as petroleum firms increase the adoption BPR it results to growth in firms. The findings is in agreement with Akam et al (2018) who found out that BPR is a veritable tool to enhancing employee satisfaction, team work and cooperation quality of service delivery as well as attainment of organizational strategic goals.

VIII. Regression Analysis

The study investigated the effect of strategic alignment on growth of petroleum firms in changamwe sub- county . The results in relation to the foregoing are illustrated in Tables 4

Table 4: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.681 ^a	.463	.458	.62786

a. Predictors: (Constant), BPR

As illustrated in Table 4, the relationship between independent variables and dependent variables was established to be positive moderately strong. The R-Squared is the variation of the dependent variable in respect to the changes in the independent variables. The R-squared in this study was 0.463, which shows that the independent variable (BPR) can explain 46.3% of the dependent variable while 53.7% is the variation due to other factors which have not been covered in this study.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3.546	4	.887	9.337	.000 ^b
	Residual	4.387	76	.095		
	Total	7.934	80			

a. Dependent Variable: Growth of Petroleum Firms

b. Predictors: (Constant), BPR

The analysis of variance in this study was used to determine whether the model is a good fit for the data. From the findings, the p-value was 0.000 which is less than 0.05 and hence the model is good in predicting how the four independent variables. Further, the F value was lower than the F-calculated which was (9.337) which shows that the model was fit in predicting the effect of the independent variable on the dependent variable.

Table 6 Regression Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.082	.127		8.529	.000
Strategic Alignment	.159	.042	.220	3.786	.000

a. Dependent Variable: Growth of Petroleum Firms

Source: Survey Data (2023)

The study also conducted a regression analysis to establish the regression coefficients connecting the independent and dependent variable as illustrated by the equation illustrated below:

$$Y = \beta_0 + \beta_1 X_1 + \epsilon$$

Whereby Y represents Organizational Growth, X_1 represents BPR, β_0 represents Constant which defines the value of Growth of Petroleum Firms without the inclusion of predictor variable. From the results in Table 6 the given equation was answered by the values of Unstandardized Coefficients (β). The results indicate that strategic alignment, has a positive relationship with growth of petroleum firms. Thus,

$$Y = 1.082 + 0.159X_1 + \epsilon$$

The value of Organizational Growth of petroleum firms without the influence of the predictor variables is 1.082. This explains that, at any given time, Organizational Growth will be 1.082 holding other factors constant at 0. The results also illustrate that, a unit change in BPR would result to 0.159 times change in Organizational Growth of petroleum firms.

IX. Conclusion

In conclusion, the impact of BPR resources on the growth of petroleum companies in Changamwe sub-county was substantial. This implies that managers within these petroleum firms, who are striving to boost organizational growth, should prioritize these resources. These findings align with the Resource-Based View (RBV) theory. In summary, the study suggests that implementing Business Process Management (BPM) is an effective strategy for enhancing organizational growth.

X. Recommendation

The study finds that BPR resources have a substantial influence on growth. Hence, it is suggested that top management in petroleum firms should continue to demonstrate support and commitment to BPR by allocating and directing the required resources appropriately. Moreover, organizations should ensure the availability of sufficient financial resources and competent personnel to facilitate the necessary process changes for improved growth

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