

Business Processing Reengineering failure at TELECO: A PMBOK-An Inspired Analysis of How Project Managers Overcome IT Challenges

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Abstract: This study delves into the challenges faced by TELECO's Business Process Reengineering (BPR) initiative, particularly employee resistance, IT over-reliance, and issues in project management. This research aims to analyze these hurdles within the framework of the Project Management Body of Knowledge (PMBOK). Risk management, scope management, integration, communication, and human resources aspects are explored by employing a comprehensive methodology. Key findings highlight the critical role of effective project management in navigating complexities. The study suggests a focus on change management, clear communication, and employee welfare to ensure successful organizational transformations. This examination of TELECO's experience serves as a valuable case study, emphasizing the strategic importance of project management in dynamic industries.

Keywords: TELECO, BPR, PMBOK

1. Introduction

In today's fast-paced business environment, organizations are constantly seeking ways to improve their operations and stay ahead of the competition. One approach that has gained popularity in recent years is business process reengineering (BPR), which involves the radical redesign of business processes to achieve significant improvements in performance, quality, and cost. However, despite its potential benefits, BPR initiatives are often complex and challenging to implement, and many organizations struggle to achieve the desired outcomes.

TELECO company is an independent telecommunications company based in a prominent US city. In 1993, TELECO had a workforce of approximately 3500 employees and had provided telephone service to businesses and residences in the city and in the adjoining areas within a 50-mile radius of the downtown area for over a century [1]. However, TELECO's culture was described by many organizational members as "monopolistic," and many of the company's practices reflected its non-competitive environment as it served a captive market.

Despite these challenges, TELECO embarked on a BPR initiative in the mid-1990s, with the goal of improving its operations and becoming more competitive in the rapidly changing telecommunications industry. However, the initiative faced significant resistance from employees, who were skeptical of the changes and felt that their expertise was not being valued. In addition, the initiative was hampered by a lack of communication and coordination between different departments, which led to confusion and delays in implementation. Ultimately, the initiative was not successful, and TELECO was acquired by a larger telecommunications company a few years later.

In addition to leadership and technology, culture is another important factor that can impact the success of digital transformation initiatives. Specifically, organizations need to create a culture of innovation and continuous improvement, where employees are empowered to identify and implement process improvements on an ongoing basis. This requires a shift in mindset, from a focus on maintaining the status quo to a focus on experimentation and risk-taking. By creating a culture that values innovation and rewards experimentation, organizations can foster a sense of ownership and engagement among their employees, and create a sustainable competitive advantage in the digital age.

Digital transformation initiatives can be a powerful tool for organizations looking to transform their operations and achieve sustainable competitive advantage. However, success requires a holistic approach that takes into account the complex interplay of factors that influence organizational change. By focusing on leadership, technology, and culture, organizations can increase their chances of success and create a culture of innovation and continuous improvement in the digital age.

2. Discussion issues using the Project Management Body of Knowledge (PMBOK)

The proper project management is required to guarantee the project's successful implementation. This is because the key factor influencing the field of management is the use of a phased approach, which includes managing the scope of work at the outset, planning projects to be implemented, carrying out planned projects, and understanding how to control and complete a project in order to produce the best products, services, or outcomes by understanding the project's intended direction to meet the objectives and goals that the telecommunications company (TELECO) wants to achieve.

However, telecommunication companies (TELECO), which might stand out in a variety of topics and experience difficulties during implementation due to telecoms companies' (TELECO) deficiencies, are highly impacted by the problem of pressure in the competition between monopolistic markets. Therefore, the Knowledge Management Body Project (PMBOK) must be used to address the issues that telecommunication companies (TELECO) are facing. These knowledge management body projects (PMBOK) include **project risk management, project scope management, project integration management, project communication management, and project human resources management**. These will be discussed in more detail.

2.1 Project Risk Management

During the reengineering project, employees at TELECO voiced dissatisfaction with the language and approach of the initiative. Some of the terms used, such as "low-hanging fruit," caused discomfort among employees. This reaction indicates a potential risk in the project—resistance and alienation of workers. When employees are not aligned with project goals and methods, it can lead to reduced productivity, increased project delays and lack of commitment to project success. To mitigate this risk, project management teams should prioritize effective change management strategies, open communication and engagement with employees [2]. This may include addressing employee concerns, explaining the benefits of the initiative and involving employees in the decision-making process to gain their support and reduce resistance. Failure to manage these risks can lead to less successful reengineering projects.

Another risk is IT Over-Reliance because the engineering team relies heavily on information technology (IT) for their processes to be reshaped. This over-reliance can create project risks, including over-budget, delay and complexity. Additionally, there is a risk associated with Unrealistic IT Projections because TELECO management expects accurate cost and time projections for many system projects based on interviews with reengineering team members. Premature projections can cause inaccuracies, resulting in budget issues and project delays [3]. Project prioritization also poses challenges, where disagreements among team members can lead to difficulties in determining which projects should be prioritized. This can result in conflicts and delays.

Furthermore, there is project risk in reengineering teams. Despite the introduction of a priority matrix that designated certain projects as less critical (Cell A), most team members strongly resisted the idea of scrapping this project. Their reluctance stems from a concern that leaving a project in this category would mean sacrificing the execution of their creatively envisioned process. This resistance introduces a significant risk of scope creep, where additional projects may be organized without a thorough assessment of their need or impact. How to effectively manage these obstacles requires a strategy for open communication, negotiating compromises and fostering a shared understanding of project goals and constraints. If not addressed carefully, these obstacles can hinder progress, lead to project delays, and affect the successful implementation of reengineering efforts.

2.2 Project Scope Management

Project scope management is a cornerstone of effective project management, ensuring that a project's boundaries, objectives, and deliverables are well-defined and controlled throughout its lifecycle. The related work section highlights two key facets of project scope management. The first, and most important, stage in the project lifecycle is scope defining. It entails a thorough process of precisely defining the project's objectives, boundaries, and particular outputs and needs. In addition, the lack of understanding of project requirements is another factor that hinders the execution of this area, because often the stakeholders do not have full knowledge of their needs at the beginning of the project, resulting in changes throughout the project lifecycle, which increases the costs and deadlines[4]. The basis for project planning and execution is a well defined scope, which creates the conditions for a successful project. It assists in preventing miscommunications and misreadings, which can result in project delays and overspending.

In order to keep the project in line with stakeholder expectations, scope change management is the second important aspect. Within the dynamic realm of projects, adjustments are nearly always necessary. Assessing, documenting, and controlling changes to the project's scope require a methodical approach in order to be considered effective scope change management. It guarantees that modifications are in line with the goals of the project and that their effects on budget, schedule, and resource allocation are recognized and controlled. A well-designed scope change management system finds a balance between allowing for essential modifications and avoiding scope creep, which can seriously harm a

project's chances of success. This element is crucial for controlling project variances, making sure the project continues on course, accomplishing its planned goals and objectives, and taking into account changing stakeholder demands and conditions. These elements will be further examined in the methodology section, along with a review of the many instruments, methods, and best practices that support efficient project scope management.

2.3 Project Integration Management

Project integration management is the basis for project management. a project manager needs to have high skills in project integration management in order to improve their company in order to continue to be successful in whatever project is carried out. For a TELECO company, it is important to maintain relationships between users because the services offered are long-term and all the products offered have an impact on customer performance. This is important to the project manager in managing the integration of this project. There are several main strategies that need to be mastered by project managers such as Compliance with Strategic Goals, Effective Project Selection, Publication of Clear Project Charts, Quality Assurance and Continuous Improvement.

Project managers need to comply with the company's vision and mission in any project because the project chosen is basically in line with the company's overall objectives. The project manager also needs to make an effective selection of projects in making decisions that can provide a high contribution and impact to the company. The project manager can work with any appropriate party in making this assessment. The project manager should publish a clear project chart to help all parties understand the context of the project clearly. In addition, the project manager must always carry out a quality review process to ensure that the products produced are of good quality and meet the company's standards and the project manager must carry out a continuous improvement process that focuses on identifying products that need to be improved based on user wishes and current needs

2.4 Project Communication Management

The success of a planned project is heavily influenced by the project team's impact on communication management. Effectively addressing issues within a project context requires a meticulous approach to managing risk concerns, encompassing the recognition, evaluation, response, and ongoing monitoring of potential hazards. Thorough and well-planned project communication management is crucial to handling these hazards promptly, ensuring a comprehensive response, facilitating understanding among team members, and fostering continuous improvement within the team.

In the specific context of telecommunications firms (TELECO), challenges arise in expressing opinions or delivering accurate information, leading to a potential lack of awareness regarding the project's current status and the factors influencing its goals. This communication gap can result in individuals being uninformed about critical aspects of the project. Furthermore, when there is a culture of concealment within companies where individuals are afraid to voice their genuine thoughts or opinions, it can breed mistrust and ultimately lead to dismissals. Building a transparent communication environment is essential for creating a collaborative and trusting team dynamic.

Project managers often deviate from standard communication procedures when addressing issues. To rectify this, project managers should employ effective communication strategies, such as conflict management through inspiring decision-making, enhancing communication skills through ongoing skill development, and conducting productive meetings focused on problem-solving and continuous improvement. The use of templates, including Gantt charts, project documentation items,

agreement letters, and project report outlines, proves beneficial in explaining completed projects comprehensively. Additionally, optimizing email communication and utilizing computer-based BPR tools are key components of efficient project communication management. Ultimately, a well-executed communication management approach is not only pivotal for project success but also contributes significantly to boosting production, enhancing efficiency, and elevating staff morale.

2.5 Project Human Resources Management

While developing the reengineering project at TELECO, there were a lot of aspects that might be useful for the employee. Many researchers agree that projects generally possess a unique characteristic such as limited budget, date of completion, quality standards and series of complex and interrelated activities. When it comes to employee worker welfare, human resource management becomes the main character to manage all the needs of their workers to make sure they can complete the project following the time provided. Most of the projects that could not be successful are when their welfare were not managed wisely, which can lead employees to disbelieve, reduced productivity and losing the manpower to succeed. The focus was concentrated on the results with a mechanistic approach [6]. TELECO only focuses on the target dates, achieve financial plans and control the quality of the final product rather than their own employees.

Human resource department should be more concerned about the welfare of their employees even though it is not one of the main targets when developing the project but it should always be the main priority. To achieve a successful result need to be as a team and not as an individual that only thinks about their own benefit. It does not care whether the project took a short period of time or more than a year but the most important aspect is how well the human resource can manage a long the way it took. When it comes to Information Technology (IT) aspects, employees are one of the parts that will be affected since the improvements on the working progress will increase. Companies will downsize the employees where about half of them had a chance to lose their position.

3. Conclusion

In conclusion, The challenges encountered by TELECO's BPR project highlight how complex IT initiatives may be in rapidly changing sectors. Overcoming these obstacles necessitates a thorough strategy based on efficient project management techniques. The amalgamation of perspectives obtained from the Project Management Body of Knowledge (PMBOK) emphasizes the pivotal function of risk mitigation, scope supervision, coordination, correspondence, and workforce management.

Besides, Emphasis must be placed on change management techniques that address employee resistance, promote open lines of communication, and put employee wellbeing first in order to successfully navigate these hurdles. Using PMBOK principles provides a structured framework to reduce risks related to over-reliance on IT, inflated estimates, and disparities in scope management. In addition, it's critical to maintain open lines of communication, ensure compliance, choose projects wisely, and align project objectives with the organization's vision and mission.

In addition, a pivotal aspect lies in the human resources domain, where the welfare and engagement of employees significantly impact project success. Focusing on employees' well-being amidst project dynamics, fostering a collaborative team environment, and emphasizing the human aspect within the project's framework emerge as critical success factors. It's crucial for organizations like TELECO to balance project objectives with employee welfare, thereby ensuring sustained productivity, engagement, and success.

Lastly, these endeavors highlight how strategically significant good project management is for steering organizational changes, especially when it comes to IT projects. By recognizing and resolving these issues within the framework of the PMBOK, organizations may implement projects with resilience and success, which promotes growth and competitiveness in a continually changing sector.

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