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# A CULTURAL ANALYSIS OF BUSINESS PROCESS MANAGEMENT GOVERNANCE IN INDIAN ORGANISATIONS

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## Abstract

*Business process management (BPM) is a key issue for organisations, particularly in a global business environment. In this paper we synthesise a framework for BPM governance and then report two case studies that explore the influence of national culture on BPM governance in India. One case study involves a global outsourcing services company with Indian origins and the other an Indian manufacturing company that has recently established an overseas presence. The two case studies provide a deep understanding of how culture influences BPM governance differently within each organization and how BPM governance practices can be established to mitigate any negative influences of national culture in a global context.*

*Keywords: Business Process Management, BPM Governance, Culture, India.*

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# 1 INTRODUCTION

Business Process Management (BPM) is a priority for organisations around the globe as it enables sustained competitive advantage (Hung 2006). Recent studies indicate a growing awareness of and interest in process improvement and management among organisations (Harmon and Wolf 2008, Gartner 2007). It is felt that this trend together with the enabling role of information technology in BPM renders this phenomenon of particular interest to researchers of the Information Systems (IS) discipline. BPM is defined as a “holistic organisational management practice, which requires top management understanding and involvement, process-aware information systems, well-defined accountability and a culture receptive to business processes. It is based on a process architecture, which captures the interrelationships between the key business processes and the enabling support processes and their alignment with the strategies, goals and policies of an organisation” (Rosemann and de Bruin 2005). Business Process Re-engineering (BPR) can be considered as one of the foundations of BPM and in the context of process improvement, the primary difference between BPM and BPR is that the former emphasises ongoing improvement while the latter has become synonymous with radical one-off change (Armistead and Machin 1997).

Governance is a critical success factor for any BPM initiative (de Bruin 2007) as it is concerned with delineating accountability within an organisation (Weill and Ross 2004), managing the level and distribution of risk (Zingales 1997) and providing direction for the achievement of competitive advantage (Patel 2002). For purposes of this study, BPM governance is defined as the establishment of process-related responsibility and accountability mechanisms for the purpose of encouraging desirable behaviour in BPM. The majority of existing studies tend to be fragmented with focus on specific mechanisms of BPM governance such as process ownership (Booz Allen Hamilton 2003), process modelling (Bandara *et al* 2006) and performance measurement (Aberdeen 2006). There are only a limited number of studies (*e.g.* de Bruin 2007) which explore the interactions between these various mechanisms as a whole. Furthermore, contextual factors such as national culture which could potentially exercise an influence on BPM practice have also been relatively unexplored. Reports on the influence of culture on BPR (Agarwal and Haleem 2003, Martinsons and Hempel 1998) and on corporate governance (Buck and Shahrin 2005, Haniffa and Cooke 2002, Turnbull 1997) lead us to postulate that culture could have an impact on BPM governance.

India has emerged as a major player in the global economy in recent years due to its rapidly increasing share of the IT offshoring market. Liberalisation of its fiscal and trade policies in recent times has also led to increased presence of multinational organisations in the country and a furore of activity in many of its export sectors. Investment in IT solutions to manage and support business activity is also on the rise (Tarafdar and Vaidya 2006). In the context of implementation of one such IT solution in Indian organisations, viz. Enterprise Resource Planning (ERP) systems, process-related issues have been identified (Tarafdar and Roy 2003). Therefore it is felt that India provides an ideal setting for the study of national culture influences on BPM.

This paper explores the influence of national culture on BPM governance in India. The study builds on existing theory in both culture and BPM and includes in-depth case studies of BPM in two organisations in India. The remainder of this paper is organised as follows. Following the introductory section in which the motivation for the study has been outlined, an extensive review of literature concerning national culture and BPM governance is presented. Then the case study research method is explained. The fourth section of the paper provides a description of the two case-study organisations and an overview of their BPM practice. This is followed by an in-depth analysis of BPM practices in the case-studies through the lens of national culture. The discussion section then presents the main findings and implications for research and practice, and the paper is concluded with limitations of the study and directions for future work.

## 2 LITERATURE REVIEW

This section presents the theoretical underpinnings of the study. The concepts of BPM governance and culture are defined and operationalised.

### 2.1 BPM Governance

The term governance is synonymous with the exercise of authority, direction and control (Zingales 1997) and is intended to ensure an organisation's efficiency and effectiveness (Zingales 1997, Simonsson *et al* 2008). BPM governance has been identified as one of the factors for measuring BPM maturity in organisations and has been defined as the establishment of relevant and transparent accountability, decision making and reward processes to guide actions (Rosemann *et al* 2007). While this definition emphasises the exercise of authority and control, it does not adequately explain the intent or direction of these activities. A widely-employed definition of I.T. governance is that it specifies the decision rights and accountability framework to encourage desirable behaviour in using I.T. (Weill and Ross 2004). A common feature of this perspective with that of Korac-Kakabadse and Kakabadse (2001) is the emphasis on the focus or objective of the governance activity. Therefore, for purposes of this study, BPM governance is defined as the establishment of process-related responsibility and accountability mechanisms with the objective of encouraging desirable behaviour in BPM.

The governance component of the BPM maturity model includes five capability areas which include process management decision making, process roles and responsibilities, process metrics and performance linkage, process management standards and process management controls (Rosemann *et al* 2007). However it is felt that some of these capability areas could be considered collectively as there they are closely related and there is some over-lap in definition. Therefore, for purposes of this study, a high-level BPM governance framework consisting of four distinct components has been synthesised. This framework differs from the governance component of the BPM maturity model in several ways. Firstly, process roles and responsibilities is perceived to include roles and responsibilities in process management decision-making as well and therefore a component titled "process-related responsibilities and accountability" which incorporates both aspects has been used. Similarly process metrics, performance linkage and process management controls have been collectively considered as BPM Quality Assurance. Furthermore, while the the BPM Maturity model includes process architecture as a capability area within strategic alignment, it does not include considerations to process definition as part of BPM governance. However, it is felt that the clear and consistent definitions of process and prioritisation of these in terms of criticality to operations should be considered as part of BPM governance as it is intrinsically linked to definition of process roles, standards and quality assurance. Therefore process definition has been included as a component of BPM governance in this framework. The components of the BPM governance framework as used in this study are described as follows:

- *Process-related Responsibilities and Accountability* (Ewusi-Mensah 1997, Fitzgerald and Carroll 2005, Kirchmer 2005, Rosemann *et al* 2007, Weill and Ross 2004) – Process owners and committees for key processes with duties and responsibilities need to be clearly specified. This includes specification of authority for providing inputs to and making process-related decisions and the specification of precise reporting structures. It also includes the rules for enforcement of accountability, definition of the corresponding penalty and reward systems as well as provision of guidelines for escalation of issues.
- *Process Definition* (Rosemann *et al* 2007) – Processes need to be prioritised in terms of criticality to operations. At the very least highly critical processes need to be clearly defined, documented and made accessible for use.

- *Process Standards* (Fitzgerald and Carroll 2005, Rosemann *et al* 2007) – Guidelines for conducting all BPM activity such as process modelling, communication, issue resolution and monitoring need to be established.
- *BPM Quality Assurance* (Broadbent 2002, Fitzgerald and Carroll 2005, Rosemann *et al* 2007) – Periodic reviews to manage the quality and currency of processes as well as the efficacy of the organisation’s BPM practice need to be established. Metrics, which are in keeping with the organisation’s strategic goals, must be established for each process. These may be either quantitative or qualitative in nature but need to be defined in such a manner as to enable ease of measurement. Performance must be monitored on a regular basis to ensure alignment with the overall BPM and organisational goals.

## 2.2 Culture

Culture is defined as the collective programming of the mind that separates the members of one group or category of people from another (Hofstede 1980). At the core of culture are values which are defined as broad tendencies to prefer certain states of affairs over others (Hofstede 1980). These tendencies are manifested in rituals, heroes and symbols which are collectively represented by practices or behaviours. Although these are visible to outsiders, their cultural meaning is not necessarily so and is determined by the way in which the practices are interpreted by other members of the same group. While behaviours can be modified with the introduction of incentives, values are relatively more stable over time. There are various levels of collective mental programming such as national, regional/ethnic, gender, generation, social class, industry/professional, organisational and departmental. This focus of this study on BPM governance in Indian organisations is at the national level and henceforth the term “culture” refers to national culture unless otherwise stated. The study of national cultural differences and resultant implications for management has been dominated by the characterisation of culture along a variety of preordained attitudinal dimensions or predispositions to action. For the purposes of this study, the three most influential theories of national culture are synthesised and the resultant five dimensions deemed to be most appropriate for the study of BPM governance are presented in Table 1. These include the works of Hall (1976), Hofstede (1980) and the GLOBE project (House *et al.* 2004).

<b>Dimension of Culture</b>	<b>Source</b>
Power distance	Hofstede (1980), (House <i>et al.</i> 2004)
Individualism - Collectivism	Hofstede (1980), (House <i>et al.</i> 2004),
Uncertainty Avoidance	Hofstede (1980), (House <i>et al.</i> 2004)
Performance Orientation	(House <i>et al.</i> 2004)
High Context – Low Context	( Hall 1976)

*Table 1 Dimensions of Culture*

Hofstede (1980) administered a questionnaire to and analysed the responses of 72,215 employees of IBM across 40 countries. From this analysis he developed four dimensions of culture viz. power distance, individualism, masculinity and uncertainty avoidance. Later, a fifth dimension, long term orientation, was added. Each observed country was scored relatively on an index ranging from 0 to 100 for each dimension. This work has dominated cultural studies in the information systems discipline (Myers and Tan 2002).

The Global Leadership and Organisational Behaviour Effectiveness (GLOBE) research project (House *et al.* 2004) focuses on the relationships between national/societal culture, organisational culture and leadership. It involved 150 co-investigators who collected data from approximately 9000 managers in 500 different organizations in 3 different industry sectors in 61 countries. Nine dimensions have been identified and responses to questions based on these dimensions were sought from employees in three industry sectors across sixty two nations. The dimensions identified by the GLOBE project include

uncertainty avoidance, power distance, societal collectivism, in-group collectivism, gender egalitarianism, assertiveness, future orientation, performance orientation, humane orientation.

Hall (1976) differentiated between cultures on the basis of context for communication. His contention is that the elements which combine to produce a given meaning – events and context – are in different proportions depending on culture. Therefore he compared cultures on a scale from high to low context. High context cultures rely on extensive social networks in the everyday lives and therefore do not require as much explicit background information for communication as low context cultures.

The five dimensions of culture which have been deemed as appropriate for use as a lens to examine BPM governance are explained as follows:

- *Power Distance* is the extent to which members of institutions and organizations within a country expect and accept that power is distributed unequally.
- *Individualism* refers to loose ties between individuals as opposed to strong ties with a given social network.
- *Uncertainty Avoidance* is the extent to which the members of a culture perceive ambiguous or unknown situations as threats as opposed to opportunities.
- *Performance Orientation* refers to the extent to which a society rewards innovation, quality and performance improvement.
- *Context* refers to the degree of explicit background information that is required for effective communication.

### **3 RESEARCH METHOD**

The primary objective of this exploratory study is to understand how and why culture might influence BPM governance in Indian organisations. Therefore case study was selected for conducting the research as it been identified as an appropriate method for conducting “how and why” enquiries into real world phenomena (Yin 2003). As a first step, an extensive literature review was conducted to derive comprehensive definitions for both culture and BPM governance. Following this an interview protocol was developed to enable a systematic enquiry. The protocol consisted of both closed and open-ended questions – the former to ensure that responses are appropriately equivalent for purposes of cross-case comparison and the latter to provoke thought and dialogue in keeping with the exploratory nature of this study.

Two case studies were undertaken, one in a global outsourcing services company with Indian origins (Case Study A) and the other an Indian manufacturing company that has recently established an overseas presence (Case study B). The case study sites were selected on the basis of matched dimensions (including turnover, number of employees, position in industry etc.) which enable cross-case analysis. The unit of analysis in each case study was the BPM initiative including people, activities and documentation. Data collection included seven interviews at the first case study site and nine at the second. Interviewees included representatives from senior and middle management as well as staff at the operational level for purposes of completeness in understanding the BPM governance practice at each organisation as well as triangulation. The duration of each interview was between sixty and ninety minutes. This was further supplemented by a greater number of shorter interviews to follow-up on particular aspects of earlier interviews as well as observation of activity over several days. Extensive notes were kept of each interaction and interviews were audio-recorded wherever permission was granted. Appropriate documents, if any, were also scrutinised.

Following the data gathering phase, the audio recordings and notes were transcribed. Initial analysis of the text was done using constructs from the BPM framework described in section 2.1. The findings are presented in section 4.2 and 4.4. Further analysis within each of these was carried out through coding based on the dimensions of culture identified in section 2.2 and is presented in section 5.

## 4 CASE STUDY DESCRIPTIONS

In this section a description of the two case-study organisations is presented together with an explanation of the motivations for their BPM initiatives as well as a description of their BPM governance using the framework described in section 2.1.

### 4.1 Case Study A

This organization provides software and business process outsourcing services. Established in the early 1980s, it trades as a public limited company and is placed in a leadership position within its industry. From its very inception the organization has focused on developing its primary client base outside India and over the years offices have been established in several countries for purposes of front-end operations such as marketing and client liaison. As a result the organization has been a key player in the phenomenal growth of the I.T. offshoring market in India. Apart from its meteoric growth, the organization is also renowned for its relentless emphasis on quality. It has adopted a number of popular methodologies for this purpose such as Six Sigma and Balanced Scorecard and has been benchmarked to a number of global quality standards such as Carnegie Mellon University Software Engineering Institute's Capability Maturity Model, People Capability Maturity Model, Malcolm Baldrige framework, ISO9001 and EFQM to name a few. Apart from ensuring the enforcement of highest quality standards from an internal management perspective, these initiatives also serve as a powerful signal of the organisation's competency to the external market.

The organization is structured into business units which are defined along the parameters of domain specific knowledge and skill development. The organization has a matrix structure as there is movement of personnel, information and knowledge between the business units. There is also considerable exchange of personnel, information and knowledge across the company's global operations. In the early 2000s the lack of integration between the systems being used was identified as the primary cause for the absence of insight into initiatives across the organization, particularly in the deployment of resources that enabled/supported them. Various tactical and operational bottlenecks were also ascribed to the same cause. The senior management of the organization recognized the limitations of the existing way of working and its repercussions on the business and an enterprise-wide BPM project for integrating the rich knowledge base of the organization was initiated. A multi-disciplinary team dedicated to the capture of process-related information and its management was established. A process repository was created and made available to employees via the intranet portal.

### 4.2 BPM Governance at Case Study A

*Process-related Responsibilities and Accountability* - As soon as senior management took the decision to implement BPM as part of the overall business strategy, a dedicated BPM team was established as the preliminary step. The team consists of 6 members with clearly specified areas of responsibility which included the initial setting up of the BPM project and its ongoing management. The first task for this team was the appointment of a process owner for every critical process. The process owner was responsible for defining the process, monitoring its ongoing performance and ensuring its alignment with strategy. The main challenge was to identify appropriate process owners. In many cases, this was straight-forward and was guided by the operational role of the person concerned. However for processes which span across business units, there were no volunteers and consequently the BPM team exercised their authority to nominate a person for each role as they deemed fit. Each process owner was then advised of the scope and nature of their responsibility including their role in the decision-making process. The reporting structures within each process area and issue resolution hierarchy was clearly outlined and communicated to all the concerned persons. Extensive documentation relating to process ownership definition and organisational reporting structures was prepared by the BPM team.

*Process Definition* - Each process in the organisation was documented and stored in a repository. The process documentation (PD) contains comprehensive information about the process including the description and sequence of tasks, the personnel involved and the data requirements. It also contains process maps that were drawn up jointly by the process owner and BPM team. In some situations there was a need to work backwards from the operating IT systems/solutions to identify the underlying business processes. Any change to a process is documented by the process owner on an ongoing basis. All of this information is available to employees from a BPM system via the organisation's intranet portal. Access is automatically restricted to the area of business for each employee to prevent misuse of information. Every employee is expected to use the BPM system to record everyday activity. The system has built in validation checks and authorisation requests are automatically raised. The industry in which this organisation operates exhibits high attrition rates and therefore, having detailed documentation of all processes ensures that vital knowledge is not lost with departing personnel and new employees can settle into their roles quickly.

*Process Standards* - Standards were established for all necessary aspects of BPM activity. This included standards for process modelling and definition to ensure common understanding and co-ordination of BPM activities throughout the organisation. All employees received the necessary training to ensure that the standards are understood and enforced. All information related to standards, including any changes, is made available to employees via the online BPM system.

*BPM Quality Assurance* - The establishment of standards paved the way for quality assurance activity. Appropriate metrics were defined for each process as well as standard reward and penalty structures for process-related performance. Regular review cycles were established to ensure efficiency and effectiveness of the organisation's activities. Furthermore the BPM activity itself comes under periodic review to ensure continuing efficacy of the practice and to identify ongoing opportunities for improvement. Following the review, adherence to desirable behaviour is rewarded while non-compliance is penalised.

#### Case Study B

This organization operates in the manufacturing industry and is a market leader in a diverse range of consumer durables. It commenced manufacturing operations in the 1955 and prides itself on a range of innovative products with a number of patent and design registrations. The organisation has 7 manufacturing units suited for scalable operations. These are supported by 20 branch offices and an extensive distribution network to reach 400,000 retail outlets across the country. The company also operates 25 exclusive branded retail outlets. The company has achieved its leadership position in the domestic market primarily due to its ability to provide high quality products at affordable prices. All products meet global standards such as ISO9001 for both design and quality. The management believes that the company owes its survival to a fundamentally progressive philosophy which, while emphasising the organisation's essentially Indian identity, is also receptive to flexibility and change in the way of working to keep pace with changing times.

In the early 2000s the organisation underwent a shift in focus. Having established itself as the significant player in the domestic market, the company started to explore export opportunities and after due consideration a subsidiary was established in the USA. At the same time the hitherto underlying value discipline of product innovation was perceived to be insufficient for the strategic plans outlined for the future. An emphasis on operational excellence was introduced to complement brand and design capabilities. An ERP system was identified as the appropriate I.T. solution to support operational efficiency. The introduction of the ERP system resulted in the erosion of functional silos and the organisation was restructured as a process-centric enterprise.

#### 4.3 BPM Governance at Case Study B

*Process-related Responsibilities and Accountability* - Process-related decisions in this organisation tend to focus on IT rather than on business. Process-related roles were not explicitly established. This



is because, unlike at Case Study A, an explicit BPM strategy was never clearly established at Case Study B by senior management. Process management was assumed to be a part of the ERP system implementation project and fell under the overall responsibility of the IT department. Consequently Persons with operational responsibility for the various functions assumed charge of the related processes. This has resulted in considerable overlap in the case of cross-functional processes resulting in collective rather than individual responsibility and accountability. Wherever consensus is not achieved, familiarity with the ERP technology tends to dictate which person has the last word in decision-making. Reporting and issue resolution structures tend to follow a similar pattern.

*Process Definition* – The average duration of employment of middle managers at this organisation is twelve years and attrition does not appear to be common enough for concern. During much of the past decade the organisation experienced phenomenal growth in the domestic market and for a period of three years in the late 1990s and early 2000s, an average rate of growth of 30% was achieved. This has been attributed firstly, to the expertise of the various functional managers and secondly, to the flexibility and responsiveness of the organisation's business processes. While these characteristics have served the organisation well during the growth phase, it has also encouraged a tendency to rely on individual expertise rather than on well-defined processes. This is also accompanied by a tendency to abstain from locking-in process definitions for fear of making them rigid and less-responsive to change. The quality assurance (QA) process and the payroll process were the only two areas within the organisation that had any kind of process-related documentation. The QA process documents were developed as part of the regulatory requirements for certification of product and design quality. The payroll process documents were prepared by the payroll manager on the basis of his own initiative rather than a directive from the organisation and rarely used to guide day-to-day operations.

*Process Standards* – There is also a marked absence of explicitly defined standards. In terms of process documentation, those relating to the QA process are comprehensive and meet regulatory requirements. Graphical representations of the design and manufacturing process are detailed. However the lack of clearly established standards for documentation is evident in the payroll process documents. The process descriptions are textual rather than graphical and minimalistic in nature. Many of the terms used are ambiguous and comprehensible only to the person who created them. However, the investigation revealed that absence of explicit standards and documentation in the organisation has not hampered internal operations and dealings with local clients. Instead these interactions are guided by consciously established social relationships and networks.

*BPM Quality Assurance* – A structured quality assurance activity is not discernable and metrics to judge process performance are not explicitly defined. In the case of the payroll process documentation, which lists 8 core processes, the performance measure for every one has been expressed as “timely action”. There is no accompanying explanation as to what constitutes timely action. However this does not mean that activities are not monitored. Once again, the organisation relies on the expertise of its managers to track process performance and to identify shortcomings. Reviews are conducted on an *ad hoc* basis and in an informal manner. Furthermore, a fierce loyalty to the organisation and its leadership is evident and verbal recognition of achievement is considered sufficient reward for adherence to desirable behaviour. Non-compliance is not punished outright but gently discouraged.

## **5 CASE STUDY ANALYSIS**

The BPM governance practices of the two organisations which were described in the previous section are now examined using the dimensions of culture as a lens.

*Power Distance* is described as the extent to which members of institutions and organizations within a country expect and accept that power is distributed unequally. India exhibits a tendency for high power distance and the associated behaviours include emotional relationships between subordinates and superiors and the perception of the boss as a benevolent autocrat or parent (Hofstede 1980, House *et al* 2004). At Case Study A, processes are adhered to mainly because of the strict enforcement of

rules and the accompanying rewards and penalties. This reflects a somewhat impersonal style of management. However at Case Study B, a strong emotional relation with one's superiors and the respect for authority and expertise is reflected in the accompanying desire to stand favourably in their opinion which in turn motivates compliance to organisational processes. Rather than enforcing penalties for acts of non-compliance, offenders are reprimanded by their supervisors and gently shepherded back into line much like in a parent-child relationship. It was also perceived that communication between superiors and sub-ordinates sometimes suffers due to the high power distance. At Case Study A, supervisors can look up the BPM system to obtain an accurate picture of the state of operations. However, at Case Study B, supervisors request face-to-face meetings with subordinates in order to obtain an understanding of the current situation. This communication mechanism is highly dependant upon the established relationship between the people involved and effective communication is at times overshadowed by respectful reticence and fear of loss of face.

*Individualism* refers to the strength of ties within a given social network. India exhibits a tendency towards low individualism or, in other words, collectivism (Hofstede 1980, House *et al* 2004). At the workplace the primary visible behaviour of collectivist societies is that personal relationships prevail over task rather than the other way around and occupational mobility is lower. At Case Study A, while relationships within teams are nurtured, such structures are short-lived as employees are frequently moved across projects. Furthermore an employee's relationship with the organisation as a whole is largely impersonal and, as mentioned earlier in this paper, attrition rates are high. At Case Study B, on the other hand, employees identify themselves strongly with the organisation and perceive the fate of the organisation as being parallel to their own. This acts as a compelling motivator for performance. Stronger bonds are forged with members of the same functional unit and this provides the foundation for all work-related activity. Most employees tend to remain in the organisation once employed and the length of period of relationship further enhances its stickiness.

*Uncertainty Avoidance* refers to the extent to which the members of a culture perceive ambiguous or unknown situations as threats as opposed to opportunities. Members of low uncertainty avoidance cultures such as India exhibit a tendency for tolerance of ambiguity and chaos and are generally better at invention than at implementation (Hofstede 1980, House *et al* 2004). At the first case study site, a marked intolerance for ambiguity is noticed. Roles, standards, metrics etc. are clearly specified and systematically enforced. However at Case Study B, ambiguity prevails over nearly every aspect of BPM and management of related activities is through individual expertise on an ad hoc basis.

*Performance Orientation* refers to the extent to which a society rewards innovation, quality and performance improvement (House *et al* 2004). India exhibits a tendency towards low performance orientation and associated behaviours include high value placed on relationships and loyalty and less emphasis on training and development, results and rewards. At first glance, these characteristics appear to correspond with the features of Case Study B and not with those of Case Study A. However, a closer study reveals that results are valued at Case Study B and this is, in fact, a reason for emphasising outcomes rather than processes. Furthermore rewards are also valued, albeit the nature of the reward is not promotion or a financial incentive (as at Case Study A) but recognition and a sense of achievement. Therefore it is concluded that the influence of performance orientation on BPM governance has not been established in either case study.

*Context* refers to the degree of explicit background information that is required for effective communication (Hall 1976). India exhibits high context tendencies which mean that members of this society rely on subtly implicit and highly contextual information to enable communication. To a person who is unfamiliar with the associated contextual details, the communication may seem ambiguous and ineffective. At Case Study A, all process-related communication is explicit and for the most part, occurs via the online BPM system. At Case Study B context rich verbal communication occurs between the peer-groups of employees constantly. Therefore the absence of explicit mechanisms does not appear to affect the quality of communication between employees.

## 6 DISCUSSION

A number of broad trends have emerged through the analysis of the two case studies. Firstly, this study provides empirical evidence for and insights into the influence of culture on BPM governance. The analysis of Case Study B indicates that the Indian cultural characteristics of high power distance, collectivism, low uncertainty avoidance and high context have resulted in highly informal BPM governance practices which might appear ambiguous and chaotic to persons who are unfamiliar with the cultural context. The findings related to power distance and collectivism corroborate those of a cross-cultural study on the influence of culture on BPR projects in India and the USA (Agarwal and Haleem 2004). This study established that individualism and low power distance, which are characteristics of American culture, facilitate the implementation of BPR projects whereas collectivism and high power distance exert a negative influence in the Indian context. However, the same study also established that low uncertainty avoidance facilitates BPR. This is in contrast to the empirical evidence of this study which establishes that, in fact, low uncertainty avoidance results in a more casual approach to BPM governance with less emphasis on establishment of process roles, definition and standards.

On the other hand, the analysis of Case Study A demonstrates that an organisation which operates in the same national context as CASE Study A and therefore susceptible to the same cultural influences can successfully use a highly formal and rigorous BPM governance practice to mitigate the negative impact of such influences. Furthermore, the experience of this company suggests that there is a relationship between an organisation's motivation for BPM and its susceptibility to cultural influence. According to the definition employed in this study, the primary objective of BPM governance is to encourage desirable behaviour. At Case Study A, we find that from its very inception the emphasis has been on establishing and maintaining a client base outside India. In other words, the desirable behaviour can be described as adopting work practices that enable and support business dealings with international clients. The BPM governance practice has been consciously designed to support interactions with non-Indian persons. Therefore an examination of the various aspects of BPM governance revealed an absence of Indian cultural influence. This has proved to be a success factor for the organisation in establishing itself in the I.T. offshoring market. In contrast, until recently, the desirable behaviour at Case Study B has been the adoption of work practices that enable and support business dealings with Indian clients. The rather ambiguous and informal BPM governance that has been practiced hitherto appears to have supported this objective. This corroborates findings from a study which demonstrates that exposure to global markets has driven software firms in India to have adopt western-style corporate governance practices (Khanna and Palepu 2004).

The contributions of this study for research are two-fold. Firstly, the development of a BPM governance framework based on literature review has proven useful for the study of such practices in organisations. As mentioned earlier in the paper, existing research on BPM governance has tended to be fragmented and focussed on specific mechanisms such as process ownership (Booz Allen Hamilton 2003), process modelling (Bandara et al 2006) and performance measurement (Aberdeen 2006). The BPM governance framework employed in this study provides a holistic perspective of the topic. It has also facilitated systematic and thorough data collection and analysis. Secondly, the majority of cultural studies in IS rely on the cultural dimensions of Hofstede (1980) alone. By including dimensions from other two other sources, this study has demonstrated a richer means of analysing the impact of culture on organisational practice. Although the impact of performance orientation on BPM governance has not been established in this study, the inclusion of this dimension from the GLOBE project (House *et al* 2004) has enabled the investigation into the case study organisations' approach to outcomes and rewards. The inclusion of communication context (Hall 1976) as a cultural dimension has provided a clear explanation for Case Study A's enthusiastic adoption of an impersonal technology-based BPM system for process-related communication while Case Study B employs communication methods which appear to be highly context-dependant and therefore chaotic and ambiguous to outsiders .

For practitioners, the emphasis of the study on the relationship between motivation for BPM and susceptibility to cultural influence is enlightening. The focus on offshoring business at Case Study A has resulted in a systematic and well-designed BPM governance practice while the largely informal practice at Case Study B has proven to be sufficient for its focus on the domestic market. However, as mentioned earlier in the paper, the desirable behaviour for the latter organisation is undergoing change as it is now actively seeking to expand its export capabilities. As the example of Case Study A has demonstrated it is possible that interactions with international clients would require more explicit communication and more formalised process management thus rendering the existing informal ways of working a bottleneck rather than an enabler. Therefore one may conclude that Indian organisations seeking to establish international business should consider adopting formal BPM governance practice in a similar fashion to Case Study A in order to reduce/eliminate the negative influence of Indian culture on their operations and to facilitate open and unambiguous communication between all parties.

## 7 CONCLUSION

This paper makes several key contributions to the understanding of cultural influence on BPM governance. It builds on existing research on BPM governance and culture and also serves as an exemplar for conducting culture-focussed case studies on BPM governance. The findings of the study will be of use to organisations in India which are enroute to expanding export capabilities by alerting them to the importance of designing their BPM governance to mitigate the possible negative impact of cultural influences.

A limitation of this study is that it focuses on a single cultural context. It is felt that the influence of culture on BPM governance can be better understood by comparing practices in two or more culture contexts. This limitation of the current study helps to set the agenda for future research. An in-depth study of several organisations in India and Australia is currently underway and it is anticipated that the cross-national comparisons will explain the impact of culture on BPM governance in a comprehensive manner. Furthermore the differences between a domestic-market focussed organisation and a global one also motivates the inclusion of both locally owned/operated organisations as well as subsidiaries of multinational companies in both countries.

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