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Organisation Culture and Business Process Management Success

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Abstract

There is a gap in the Business Process Management (BPM) literature addressing human and organizational factors in BPM practice in organisations. This research in progress paper proposes to identify organisational cultural factors and assess their impact on BPM success in an organization. The paper explores the extant literature on organisational culture in a BPM context and BPM culture. Shien's model is selected as the most comprehensive model of organisation culture and is extended to include the dimensions of BPM culture as proposed by Schmiedel, Vom Brocke and Recker. In the conclusion a proposed field study exploring the validation of the dimensions of BPM culture is outlined.

Keywords Business Process Management, BPM, organisation culture, BPM culture.

1 Introduction

Business Process Management (BPM) is a significant factor in business success that facilitates the management and improvement of core and support processes in organisations (Zairi, 1997; Harmon, 2010; Ko et al. 2009, vom Brock, Roseman, Schmiedel and Recker 2015; Kummer and Schmiedel 2016). This recognition of the importance of BPM motivates the need to further explore the concept of BPM, particularly what is required for the organisation to adopt and utilise BPM successfully. While technical success factors have been studied extensively (Ravesteyn et al. 2010; Trkman 2010; Ariyachandra et al. 2008; Jarrar et al. 2000) and the development frameworks which can be applied in practice, the understanding of human and cultural factors is limited. A small number of researchers acknowledge that knowledge of cultural aspects of BPM is crucial for BPM success (Schmiedel et al. 2015; Chmielarz et al. 2013; Kummer and Schmiedel 2016) and the study of culture in BPM has quickly become a focus for a number of researchers in the field.

Since 2010, a series of papers exploring the notion of culture and its role in BPM initiatives were authored by Schmiedel, vom Brocke, and Recker (2012, 2013, 2015) which identified culture as a gap in BPM research and collected data regarding perspectives on different cultural values of BPM with experts identifying 4 key values that were considered as crucial to successful BPM implementations. This empirical research however, was conducted with a theoretical basis (Schmiedel, vom Brocke and Recker 2014) and the data collected were perceptions of researchers in the field of BPM with no validation in terms of the practice of BPM. There is a need to extend this empirical work with the aim of developing frameworks facilitating the understanding of the role of culture in BPM success in organisations by validating Schmiedel et al's findings and conclusions in a field study. The verification of whether there is a relationship between the identified 4 cultural values with the actual perception of BPM success by employees within an organisation would allow Schmiedel et al's values to be applied in practice. The purpose of this research in progress paper is to consider the extant literature on the interaction between organisation culture and the practice/success of BPM. A research question is then proposed and a brief description of the proposed method is provided.

2 Literature review

The objective of this literature review is to explore the interaction between organisation culture, BPM and the notion of BPM culture and the identification of any research gaps in the literature. The key concepts considered are the history and development of BPM and the constantly evolving notion of organisational culture.

Business processes allow for the attainment of corporate objectives, seamlessly connect suppliers and customers, and consist of an established structure of cross functional and cross-organisational value-adding activities and other process elements (Schmelzer & Sesselmann 2008). Earlier ideas of managing business processes revolved primarily around Business Process Reengineering (BPR). BPR aimed to help companies radically restructure their organization by focusing on the ground-up design of their business processes often with radical approaches to eliminating resources (Hammer, 1990). Though BPR itself had many varying perspectives (Davenport et al. 1990; Hammer 1993; Manganelli and Klein 1994; Fieldler et al. 1994) each shared one common characteristic: BPR required radical changes within the business or organisation. The key issue at stake however, is that BPR focussed on one aspect of an organisation (Stebbins et al. 1998) with inadequate consideration of the human dimension (Cooper & Markus, 1995; Marjanovic, 2000) which frequently resulted in improvements in one individual process, however failing to integrate that improvement and produce bottom-line organisational results (Hall et al. 1993). To further reinforce the necessity of a more holistic view, it is estimated that as many as 70 percent of BPR efforts resulted in failure and a further survey by Price Waterhouse found executives were only partially pleased with results of BPR (Berman 1994; Strebel 1996).

BPM has in turn adapted into a notion of continuous improvement, whereby business processes are systematically made more effective and responsive to a modern dynamic business environment. Yet the perspective that organisations have of BPM can be different, and differ quite significantly in practice from principles. These perspectives range from being narrowly focused on the technical performance factors of a business process, to a holistic overarching view of the business process across the value chain of the organisation. At the technical level, BPM generally deals with singular processes and sub-processes (Dumas et al., 2013). On the other hand, there are holistic views that take into account the wider context of an organisation - including the people, organisation culture (the way we do business, customers and other enablers (Harmon 2010; Sharp and McDermott 2009; Suhendra and Oswari 2011)

The concept of organisational culture is a topic that has been discussed at length, and its definition has changed constantly. Though there is a substantial amount of research on the notion of culture, a consensual explanation of the notion between researchers remains out of reach. Throughout the body of research on culture there exists a diverse amount of perspectives on what organisational culture is. The definitions offered range from simple, vague descriptions to holistic and well developed models that explain the dynamics of organisational culture (Van Maanen 1976; Schneider 1988; Schein 2010). In the extant literature, there are essentially three established models of organisational culture, as defined by Schein (2010), Schneider (1988) and Kotter & Heskett (2008). The most commonly used definition and model of culture however is based on Schein's (1995) explanation of the fundamental dynamics between how and why cultures develop in organisations. Schein describes the need for members of an organisation to integrate both in their actions and socially leading to the development of (1) visible artifacts, (2) values and norms, and (3) basic assumptions - the 3 independent cultural levels identified in Schein's model of organisational culture, as illustrated in Figure 1. Artifacts are described as cultural aspects that are visible on the surface level. They can be directly observed but difficult to understand, and include technologies, symbols, language, and architectures within an organization. The second cultural level consists of shared values and norms. In simple terms, these are the company's philosophies, effectively giving its individuals the sense of what's right and wrong. In this component, the shared values and norms play a guiding role influencing the actions of the members of an organization. The third final level consists of subconscious conceptions and basic assumptions. These can be viewed as the starting point on which all cultural values and actions are based. With this model and definition of organizational culture, Schein is the most frequently cited researcher in the study of organisation culture and his work is fundamental for many scientists in this area.

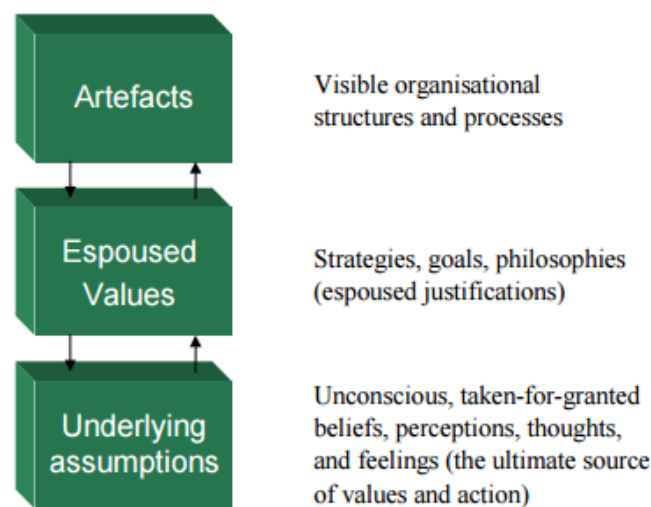


Figure 1: Schein's 1992 model of organisational culture.

In our research exploring how organisational culture influences the success of BPM implementations, we require a broad view of the potential aspects of organisational culture that may cause organisational members to perceive BPM and BPM implementations in different ways. As such Shien's model meets this requirement. Below in Table 2 we associate the characteristics of the proposed "BPM Culture" with the multiple levels of Schein's model.

The notion that one outcome of organisational cultures is increased performance measured by financial success (Ogbonna & Harris, 2000) has become increasingly plausible. Organisational culture is often associated with human resource management (Hartog & Verburg, 2004), due to its ability to indirectly influence the functionality of an organisational workforce through its shared norms and values. According to Deal and Kennedy (1982), creating a strong organisational culture that clearly articulates its performance norms and values is a powerful tool to influence employees' behaviour and improve performance. Hartog & Verburg's (2004) research on the relationship between organisational culture and high performance work practices has identified several positive correlations including the positive relation between 'goal and innovative orientation' to the 'combined set of employee skills' (two measures used in their methodology). This relationship is significant in the context of this paper, as it shows an existing correlation between organisational culture and its existence as a success factor within performance. In our effort to identify organisational culture's impact on BPM success, we are able to leverage the results of existing literature in this area to explore a variety of methodologies (Hartog & Verburg 2004; Bititci et al. 2006).

Researchers have sought to determine how culture fits with BPM, and how that dynamic changes with varying organisational structures (Chmielarz et al. 2013; Rosemann & de Bruin 2005; Wong et al. 2014). A common factor in these studies is the recognition of culture as a factor for effective organisational BPM practice. Findings indicate that culture plays a supporting role for BPM activities within an organisation and the critical factors lie elsewhere (Chmielarz et al. 2013), while others have found that the need for a conducive culture is critical for continuous process improvement (Wong et al. 2014). A significant number of authors increasingly recognise culture as a central factor and source of failure or success of BPM initiatives (Spanyi, 2003; Llewellyn & Armistead, 2000; Hammer, 2010; Ravesteyn & Versendaal, 2007). However there have been no attempts to validate a model of the relationship between BPM, culture and BPM effectiveness.

Vom Brocke and Sinni (2011) conducted a literature review on the state of research on culture in BPM and identified the following 4 dimensions:

1. Culture as an independent factor influencing BPM
2. Culture as a dependent factor influencing BPM
3. Culture as a BPM culture
4. Culture as an important aspect in BPM

In their conclusion, they state that there is an abundance of papers considering the significance of culture as a topic without specifically illuminating it suggesting the need for research to shed more light on the topic. Having identified BPM culture as a sub-culture the results of their literature review call for further research on several areas of BPM culture:

- 1) What characterises the concept of BPM culture?
- 2) What determines the relationship between BPM culture and national, organisation and work group cultures?
- 3) What measures are suitable to achieve a cultural fit between BPM culture and its cultural context?

Even though the term "BPM Culture" surfaces quite often in the domain of BPM research, there are few studies that explore the concept of BPM culture. In the proposed research we

focus on the proposition that certain characteristics within an identified “BPM Culture” do influence the organisation to be more receptive to BPM and view BPM implementations as improving business processes. The term “BPM Culture” represents values such as ‘customer orientation’ or ‘continuous improvement’ (vom Brocke & Schmiedel 2011) that an organisation should theoretically adopt to ensure that their culture is supportive of BPM activities and objectives. Existing BPM literature on cultural aspects suggest that organisations that possess core elements of a BPM Culture will allow for effective BPM initiatives (Zairi, 1997; Hammer, 2010; Kemsley, 2010; Jesus et al., 2010; vom Brocke & Schmiedel, 2011). These underlying components were further analysed in a delphi study (Schmiedel, vom Brocke, and Recker 2013) and 4 core BPM-supportive elements with high correlation with ‘perceived BPM excellence’ were identified: Customer orientation, Excellence, Responsibility and Teamwork (CERT). This was a result of consolidating 135 initial values that 27 BPM experts considered to be supportive of BPM initiatives in rounds until 4 key aspects remained. In a total allocation of 100 points that were given to BPM experts, the final rank and average allocations of each CERT value are shown below in Table 1.

Value	Definition	Average # of allocated importance points
Customer orientation (C)	Refers to proactive and responsive attitude towards the needs of process output recipients.	34.47
Excellence (E)	Refers to orientation towards continuous improvement and innovation to achieve superior process performance.	34.11
Responsibility (R)	Refers to the commitment to process objectives and the accountability for process decisions.	26.32
Teamwork (T)	Refers to the orientation towards continuous improvement and innovation to achieve superior process performance.	26.16

Table 1: The average scores of final 4 CERT values (Schmiedel, vom Brocke, and Recker 2013)

The notion that people, an organisations greatest resource, can be managed by the ‘subtle cues of a culture’ and influenced by this very organisational culture to increase their performance is one that has been discussed and researched thoroughly (Hartog and Verburg 2004). This idea is highly relevant in our study of how certain cultural values can be adopted or changed to increase an organisation’s receptiveness towards BPM which in turn is likely to reduce the risk during BPM implementation. Organisational cultures are seen as rather constant, but not an intransient factor which has an impact on both the social and operational aspects of an organisation (Beugelsdijk et al., 2006). With the notion that an organisational culture can be changed to adopt some core values of the BPM culture to improve the efficiency of BPM implementations, the validation that the identified core values identified by Schmiedel, vom Brocke, and Recker (2013) do indeed have a positive effect will have significant applications in practice. We propose in Table 2 an extension of Shien’s 1992 model of organisation culture by including the CERT values aligning them with the levels of culture as well as adding a new dimension “BPM Culture”. In Table 2 we map performance and success as underlying assumptions that are assumed and taken for granted in organisations with BPM practice contributing to these assumptions. The CERT values of customer orientation, excellence, responsibility and teamwork are aligned with espoused values of the culture as these are general values that are overarching across all dimensions of the organisation. We then add an additional column “BPM Culture” to the model as a

dimension of organisation culture. In this dimension we align the definitions of the CERT values with espoused values as they are defined within the context of BPM culture. We also include an additional value of “process view/thinking”. We propose that this value articulates the requirement that in order to nurture BPM culture an organisation must encourage a “process view” and “process thinking” perspective for all members of the organisation thus promoting the BPM culture as critical to success. In the artefact row we include those BPM artefacts that make manifest the BPM values.

Level	Factor	BPM Culture
Artefact		<ul style="list-style-type: none"> • BPM Management Suites • BPM Documentation • Continuous improvement processes • Dedicated BPM team • Value-add driven
Espoused values	<ul style="list-style-type: none"> • Customer orientation • Excellence • Responsibility • Teamwork • Process view/thinking 	<ul style="list-style-type: none"> • Proactive and responsive attitude towards the needs of process output recipients • Orientation towards continuous improvement and innovation to achieve superior process performance • Commitment to process objectives and the accountability for process decisions • Positive attitude to cross-functional collaboration
Underlying assumptions	<ul style="list-style-type: none"> • Performance • Success 	

Table 2. Extending Schien’s model of culture to include “BPM Culture”

3 Conclusion

In this research in progress paper we have explored the notion of organisation culture and BPM culture. It has emerged that there is alignment between organisation culture and BPM culture and one contribution here is the extension of Shien’s model of organisation culture to include BPM culture. Further, from the above literature review, it is apparent that more research investigating the relationship between organisation culture and BPM success needs to be undertaken. The following research question has been devised to address this research gap: *Do the 4 identified core (CERT) values of BPM Culture as identified by Schmiedel et al.’s (2014) Delphi study positively influence perception of BPM effectiveness within an organisation?*

It is proposed that a qualitative study operationalised through semi-structured interviews will be undertaken in a major Australian financial institution that has a strategic BPM group. Given the nature of the proposed study we have opted for theoretical sampling as proposed by Glaser and Strauss (1967) and Baker and Edwards (2012). With theoretical sampling sampling is finished when theoretical saturation is reached. We anticipate that saturation will be reached within the scope of 15 interviews. We anticipate that 15 interviewees will enable a level of consistency to validate the ‘BPM Culture’ attributes identified by Schmiedel et al.’s 2015 study while also providing stratification across the 3 different categories of interviewees below to discover potential reasons of differing perceptions of BPM success within an organization:

- Individuals who carry out BPM activities
- Individuals who sponsor or oversee BPM activities
- Individuals who are the target of, or directly affected by BPM activities.

The interview questions will explore the following perceptions of respondents:

- Their role with regard to the practice of BPM in the organisation
- Their level of engagement in BPM initiatives
- Their perception of success of otherwise of BPM initiatives within the organisation
- If they believe a BPM culture exists in the organisation
- What they believe to be the success factors of BPM initiatives in the organisation
- Their view of the CERT values and if they believe they exist in the organisation
- If so how do they contribute to BPM success?

There is a gap in the extant literature on the relationship between BPM success and human factors. One important dimension being organisation culture. The proposed research aims to make a contribution towards the filling of this gap.

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