Increasing process orientation with business process management: Critical practices

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Abstract

This paper studies the role of business process management in creating a higher business process orientation. The purpose is to analyze previously suggested practices to identify those that are critical at a certain business process orientation maturity level and those that are not. A case study is used to identify the critical success factors. Then a statistical analysis of a sample of 324 companies is undertaken to operationalize the success factors in the form of critical practices. Organizations following these critical practices at a certain level will reach higher process orientation sooner.

Highlights

► Builds upon theoretical foundation of business process management.
► Uses multi-method research approach combining a case study with an empirical study.
► Identifies practices that are critical for increasing process orientation maturity.
► Companies implementing those practices will reach higher process orientation sooner.

Introduction

Improving organizational business processes has been high on companies' and researchers' agendas for years (McCormack et al., 2009, Ranganathan and Dhaliwal, 2001). The main challenge remains how to implement process principles into an organization's operation. Therefore, several approaches such as total quality management, continuous process improvement, and business process reengineering have been proposed to increase business process orientation (BPO) (Zhang & Cao, 2002). One of these approaches is business process management (BPM), which seems to be the most comprehensive, well-known, and widely used practice (Rohloff, 2009) because it incorporates many aspects of the earlier approaches. In line with Lee and Dale (1998) we consider BPM to be a structured, analytical, cross-functional, continuous improvement of processes.

However, BPM includes a myriad of practices from different fields. There are several fundamental problems that remain unsolved by current

approaches (Mendling, 2009). It is necessary to rigorously identify the practices likely to lead to improved BPO and consequently to provide a clearer roadmap for companies. Most previous research and professional papers seem content with merely identifying critical success factors (CSFs). They rarely provide empirically proven actionable points for companies on their journey towards a higher BPO maturity. Thus both a clear vision and a roadmap on the use of BPM to increase the BPO are missing.

Therefore, this paper's main contribution is the empirical identification of critical practices (CPs) from a large pool of previously prescribed practices. The paper's key findings are the systematic detection of practices that are most important for a certain level and those that are not so important. Accordingly, managers of companies can focus on implementing the most important practices and stop wasting time on unimportant ones. A case study of a mid-sized bank and a statistical analysis of a sample of 324 companies are used to ascertain both the main CSFs as well as the critical and non-critical practices.

This paper is structured as follows: first, the role of BPM in general and as a tool for increasing BPO is critically discussed. The importance and limitations of both CSFs and the CP approach is outlined. The methodology of the case study and survey are described along with the main findings. Selected CSFs and their corresponding CPs are then presented together with recommendations for companies; practices that were not identified as critical are also discussed. The main implications and limitations of the research are discussed in the conclusion.

Section snippets

Critical view on BPM

BPM's comprehensiveness has a downside: BPM includes a wide array of practices without many guidelines for how to best implement them (Rohloff, 2009). BPM goals are thus often unclear leading to a high percentage of failed projects (Siha & Saad, 2008).

As one may expect, the proponents of BPM argue that it is a novel concept that emphasizes a gradual, continuous improvement of business processes rather than a thorough reengineering (Lee and Dale, 1998, Zairi, 1997). Its opponents would argue (in

Methodology and results

This research combined both a qualitative case study (to identify the CSFs) and a quantitative survey (to identify the CPs most likely to lead to

an improved BPO). Using the mixed methods research (MMR) approach, our research avoided a reliance on statistical methods. MMR has been employed in the social and behavioural sciences for more than three decades (Fidel, 2008) and has recently become a kind of fashion (Kelle, 2006). The use of different methods provides a wider range of coverage,

Discussion

This section discusses the theoretical justification and CPs of the five CSFs included. Non-critical practices are also analyzed at the end of the section.

Discussion and conclusion

Our paper identified both the important strategic areas (with an analysis of CSFs) and actionable recommendations (CPs) for companies striving to increase their BPO and in turn their organizational success. It provided statistical support for previous findings, such as the importance of top management's involvement and of the appointment of process owners. It also clearly showed which practices are important at which BPO maturity level. For example, the use of a CRM system is critical in order Rok Škrinjar is a lecturer at the Faculty of Economics of the University of Ljubljana, Slovenia. His research interests include business process redesign and business process management and their impact on organizational performance. He has published several scientific and professional papers on this subject. He also works on consulting projects in the area of business process redesign.

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