AN ASSESSMENT TOOL FOR MEASURING BUSINESS PROCESS MANAGEMENT AS A CORE CAPABILITY IN AN ORGANIZATION

ADRIANA ISABELLA VAN DER WESTHUIZEN
24331547

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University of Pretoria

SUPERVISOR: Prof. C. Hoole
CO-SUPERVISOR: Dr. Yvonne du Plessis

APRIL 2008
DECLARATION

I, Adriana Isabella van der Westhuizen, declare that the thesis, “An assessment tool for measuring business process management as a core capability in an organization” which I hereby submit for the degree PhD: Organizational Behaviour in the Department of Human Resources Management, Faculty Economic and Management Sciences, at the University of Pretoria, is my own work and has not previously been submitted by me for a degree at this or any other tertiary institution.

I, Adriana Isabella van der Westhuizen, declare that the thesis was language edited by Jody Boshoff, BA Literature, BA Languages, and Signa Evans, professional proofreader, Media in Africa (Pty) Ltd.

ADRIANA ISABELLA VAN DER WESTHUIZEN   29 APRIL 2008
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**TABLE OF CONTENTS**

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Declaration</td>
<td>ii</td>
</tr>
<tr>
<td>Acknowledgements</td>
<td>iii</td>
</tr>
<tr>
<td>Index</td>
<td>iv</td>
</tr>
<tr>
<td>List of Figures</td>
<td>viii</td>
</tr>
<tr>
<td>List of Tables</td>
<td>ix</td>
</tr>
<tr>
<td>Abstract</td>
<td>xii</td>
</tr>
<tr>
<td><strong>INDEX</strong></td>
<td></td>
</tr>
<tr>
<td>Chapter 1</td>
<td></td>
</tr>
<tr>
<td>1.1 INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.2 THE RESEARCH PROBLEM AND ITS SIGNIFICANCE</td>
<td>3</td>
</tr>
<tr>
<td>1.3 SCOPE OF RESEARCH</td>
<td>6</td>
</tr>
<tr>
<td>1.4 THE OBJECTIVE OF THE RESEARCH</td>
<td>7</td>
</tr>
<tr>
<td>1.5 CONTRIBUTION OF THE STUDY</td>
<td>8</td>
</tr>
<tr>
<td>1.6 RESEARCH PROCESS AND METHODOLOGY</td>
<td>8</td>
</tr>
<tr>
<td>1.7 CHAPTER LAYOUT OF THE REPORT</td>
<td>11</td>
</tr>
<tr>
<td>Chapter 2</td>
<td></td>
</tr>
<tr>
<td>2.1 INTRODUCTION</td>
<td>15</td>
</tr>
<tr>
<td>2.2 DEFINING OF KEY CONCEPTS</td>
<td>16</td>
</tr>
<tr>
<td>2.2.1 Definition of Critical Core Capabilities</td>
<td>16</td>
</tr>
<tr>
<td>2.2.2 Definition of Criteria</td>
<td>17</td>
</tr>
<tr>
<td>2.2.3 Definition of Critical Success Factors</td>
<td>17</td>
</tr>
<tr>
<td>2.2.4 Definition of Business Process Management</td>
<td>17</td>
</tr>
<tr>
<td>2.3 BUSINESS PROCESS MANAGEMENT AS A CRITICAL CORE CAPABILITY</td>
<td>18</td>
</tr>
<tr>
<td>2.3.1 Management</td>
<td>18</td>
</tr>
<tr>
<td>2.3.2 Business Process Management Philosophy</td>
<td>19</td>
</tr>
<tr>
<td>2.3.3 Conclusion on Business Process Management Philosophy</td>
<td>21</td>
</tr>
<tr>
<td>2.3.4 BPM Philosophy-related Critical Success Factors</td>
<td>22</td>
</tr>
<tr>
<td>2.4 MANAGEMENT PRINCIPLES WITHIN PERFORMANCE ENABLERS</td>
<td>22</td>
</tr>
<tr>
<td>2.4.1 Introduction</td>
<td>22</td>
</tr>
<tr>
<td>2.4.2 Business Process Reengineering</td>
<td>23</td>
</tr>
<tr>
<td>2.4.3 Total Quality Management</td>
<td>24</td>
</tr>
<tr>
<td>2.4.4 Six Sigma</td>
<td>27</td>
</tr>
<tr>
<td>2.4.5 Lean Six Sigma</td>
<td>27</td>
</tr>
<tr>
<td>2.4.6 Literature-related Critical Success Factors: Performance Enablers</td>
<td>28</td>
</tr>
<tr>
<td>2.4.7 Combined Critical Success Factors for BPM as a Philosophy and</td>
<td>29</td>
</tr>
<tr>
<td>Management Tool</td>
<td></td>
</tr>
<tr>
<td>2.4.8 The Proposed BPMCAM</td>
<td>29</td>
</tr>
<tr>
<td>2.5 STRATEGY AND STRATEGIC MANAGEMENT</td>
<td>30</td>
</tr>
<tr>
<td>2.5.1 Critical Success Factors specific to Strategy</td>
<td>31</td>
</tr>
<tr>
<td>2.6 GOVERNANCE</td>
<td>31</td>
</tr>
<tr>
<td>2.6.1 Critical Success Factors specific to Governance</td>
<td>32</td>
</tr>
</tbody>
</table>
4.2.2.2.2 Factor Analysis on Criteria: Structure, roles, responsibilities, policies, procedures and people management ................................................................. 166
4.2.2.2.3 Factor Analysis on Criteria: Process Architecture .............................................. 170
4.2.2.2.4 Factor Analysis on Criteria: Systems and information architecture .................... 171
4.2.2.2.5 Factor Analysis on Criteria: Optimizing and improving current business processes ................................................................................................. 173
4.2.2.2.6 Factor Analysis on Criteria: Continuous improvement of business processes .... 174
4.2.2.2.7 Factor Analysis on Criteria: Assess business processes against appropriate standards ........................................................................................................ 176
4.2.2.3 Summary on EFA .................................................................................................. 177
4.2.2.4 Final Item Analysis ............................................................................................... 178
4.2.3 Testing the BPMCAM .......................................................................................... 181

Chapter 5
5.1 INTRODUCTION .................................................................................................. 189
5.2 CONCLUSION ON ANSWERS TO RESEARCH QUESTIONS ...................................... 190
5.3 VERIFICATION OF THE BPMCAM BY EXPERTS ....................................................... 193
5.4 CONCLUSION AND ANSWERS TO THE PRIMARY OBJECTIVE OF THE BPMCAM ................................................................. 193
5.5 LIMITATIONS OF THE PRESENT STUDY .................................................................. 194
5.6 CONTRIBUTIONS OF THE PRESENT STUDY ................................................................ 195
5.7 RECOMMENDATIONS FOR FURTHER RESEARCH .................................................. 195
5.8 CONCLUSION ........................................................................................................ 196

LIST OF REFERENCES ................................................................................................... 197

LIST OF ANNEXURES
ANNEXURE “A” ............................................................................................................. 204
ANNEXURE “B” ............................................................................................................. 215
ANNEXURE “C” ............................................................................................................. 225

LIST OF FIGURES
Figure 1.1 Star Model Framework ................................................................................. 3
Figure 1.2 BPMCAM Model ......................................................................................... 7
Figure 1.3 Research Process Model ............................................................................... 9
Figure 1.3a Research Process Steps .............................................................................. 10
Figure 1.4 Areas of Research ....................................................................................... 11
Figure 2.1 Areas of Research ....................................................................................... 16
Figure 2.2 BPMCAM Model ....................................................................................... 29
Figure 2.3 Decomposition of the Criteria Enterprise Architecture .................................... 33
Figure 2.4 Star Model .................................................................................................... 35
Figure 2.5 Process Classification ................................................................................... 60
Figure 2.6 Structure of Taxonomy ................................................................................ 61
Figure 2.7 Value Chain Taxonomy ............................................................................... 62
Figure 2.8  Example of Functional Taxonomy ..............................................................62
Figure 2.9  Example of Product Life Cycle Taxonomy ..................................................63
Figure 2.10 Process Decomposition ...........................................................................63
Figure 2.11 Process Levels .........................................................................................64
Figure 2.12 Standards Checklist ................................................................................69
Figure 2.13 Decomposition of Business Process Optimization ....................................76
Figure 2.14 Cycle of Organizational Excellence .........................................................79
Figure 2.15 Process Approach – Continual Improvements of Process .......................87
Figure 2.16 Process Life Cycle Discovery ....................................................................92
Figure 2.17 Self-assessment Model ............................................................................103
Figure 3.1  Research Process Model ............................................................................114
Figure 3.2 Methodological Approach used in this Research ......................................116
Figure 3.3 Research Process Steps .............................................................................117
Figure 3.4 Business Process Management Framework used in this Research ..........120
Figure 3.5 Business Process Management Model designed for this Research ...........121
Figure 4.1 Statistical Comparison between Organization “A” and Organization “B” compared to the BPMCAM 100% profile .........................................................184
Figure 4.2 Statistical Comparison between Business Units of Organization “A” and Organization “B” compared to the BPMCAM’ 100% profile .........................................................186
Figure 4.3 Statistical Comparison between Business Units of Organization “A” and the BPMCAM’ 100% profile .................................................................186

LIST OF TABLES
Table 4.1  Biographical Information on Expert Group – sample group (N = 64) (Content Validity) ........................................................................................................130
Table 4.2 Content Validity of Business Process Management Criteria, Critical Success Factors and Guiding Principles as perceived by experts currently operating in the Business Process Management environment ...........................................................132
Table 4.3 Biographical Information on Expert Group – sample group (N = 313) (BPMCAM Development) ..............................................................................141
Table 4.4 Number of items within the seven identified criteria ..................................143
Table 4.5 Item Analysis per “Strategy formulation and governance” – Criteria “A” 144
Table 4.6 Item Analysis per “Structure, roles, responsibilities, policies, procedures and people management” – Criteria “B” ..........................................................144
Table 4.7 Item Analysis per “Managing and maintaining the process architecture” – Criteria “C” ........................................................................................................145
Table 4.8 Item Analysis per “Managing and maintaining the systems and information architecture” – Criteria “D” ..............................................................................146
Table 4.9 Item Analysis per “Optimization and improvement of current business processes” – Criteria “E” ......................................................................................146
Table 4.10 Item Analysis per “Continuous improvement of business processes” – Criteria “F” ........................................................................................................147
Table 4.11 Item Analysis per “Assessment of business processes against appropriate standards” – Criteria – “G” ........................................................................147
Table 4.12  Descriptive scale statistics for Business Process Management overall  ..............147
Table 4.13  Scale inter-correlations between criteria ..............................................................148
Table 4.14  Eigenvalues and % variance for 93 items (N = 313) ...........................................150
Table 4.15  Sorted rotated factor loadings on 93 items on 7 factors for all 93 items (N = 313) ...................................................................................................150
Table 4.16  Eigenvalues and % variance for 73 items (N = 313) ........................................153
Table 4.17  Sorted rotated factor loadings on 73 items on 7 Factors (N = 313) ................153
Table 4.18  Eigenvalues and % variance for 67 items (N = 313) ........................................155
Table 4.19  Sorted rotated factor loadings on 67 items on 7 Factors (N = 313) .................155
Table 4.20  Eigenvalues and % variance for 63 items (N = 313) ........................................158
Table 4.21  Sorted rotated factor loadings on 63 items on 5 Factors (N = 313) .................158
Table 4.22  Eigenvalues and % variance for 63 items (N = 313) ........................................160
Table 4.23  Sorted rotated factor loadings on 63 items on 3 Factors (N = 313) .................160
Table 4.24  Eigenvalues and % variance for 63 items (N = 313) ........................................162
Table 4.25  Sorted rotated factor loadings on 63 items on 1 Factor (N = 313) .................162
Table 4.26  Eigenvalues and % variance for Criteria “Strategy Formulation” (N = 313) ........165
Table 4.27  Sorted rotated factor loadings on 8 items on 2 factors for Criteria “Strategy Formulation” (N = 313) ............................................................165
Table 4.28  Sorted rotated factor loadings after EFA on 8 items on 1 factor for Criteria “Strategy Formulation” (N = 313) ............................................................166
Table 4.29  Eigenvalues and % variance for Criteria “Structure, roles, responsibilities, policies, procedures and people management” (N = 313) ..................166
Table 4.30  Sorted rotated factor loadings on 43 items on 3 factors for Criteria “Structure, roles, responsibilities, policies, procedures and people management” (N = 313) ......................................................................................167
Table 4.31  Sorted rotated factor loadings on 43 items on 1 factor for Criteria “Structure, roles, responsibilities, policies, procedures and people management” (N = 313) ......................................................................................168
Table 4.32  Eigenvalues and % variance for Criteria “Process Architecture” (N = 313) ......170
Table 4.33  Sorted rotated factor loadings on 12 items on 2 factors for Criteria “Process Architecture” (N = 313) ........................................................................170
Table 4.34  Sorted rotated factor loadings on 12 items on 1 factor for Criteria “Process Architecture” (N = 313) ........................................................................170
Table 4.35  Eigenvalues and % variance for Criteria “Process Architecture” (N = 313) ......171
Table 4.36  Sorted rotated factor loadings on 11 items on 2 factors for Criteria “Process Architecture” (N = 313) ........................................................................171
Table 4.37  Sorted rotated factor loadings on 11 items on 1 factor for Criteria “Process Architecture” (N = 313) ........................................................................172
Table 4.38  Eigenvalues and % variance for Criteria “Optimizing and improving current business processes” (N = 313) ............................................................173
Table 4.39  Sorted rotated factor loadings on 8 items on 2 factors for Criteria “Optimizing and improving current business processes” (N = 313) ...............173
Table 4.40  Sorted rotated factor loadings on 8 items on 1 factor for Criteria “Optimizing and improving current business processes” (N = 313) ...............174
ABSTRACT

AN ASSESSMENT TOOL FOR MEASURING BUSINESS PROCESS MANAGEMENT AS A CORE CAPABILITY IN AN ORGANIZATION

By

Adriana Isabella van der Westhuizen

Supervisor: Prof. C. Hoole
Co-supervisor: Dr. Yvonne du Plessis

University of Pretoria
Department of Human Resources Management

Degree: PhD Organizational Behaviour

Galbraith (1995:2) states that “organizations continuously search for more effective approaches in order to survive, to remain competitive, to maintain their operations and to grow in an ever-changing and competitive environment. To achieve sustainable business results, organizations must actively manage cost, quality, product and service features by means of their efficient and effective application of managerial and operational systems within a well-designed organizational framework.”

Porter and Tanner (2004:3) argue that “in their endeavor to remain competitive organizations have over the last few decades in search of the ultimate system or methodology tried and tested all the various performance improvement approaches or performance enablers (ISO 9000, Business Process Reengineering (BPR), Business Excellence, Continuous Improvement, Total Quality Management (TQM), Just-in-Time, Project Management, Six Sigma, Lean Sigma, etcetera). Although thousands of organizations implemented these performance enablers, few organizations achieved their envisaged state of excellence.”

Kerzner (1997:2) argues that “there are only two ways in which work gets done in organizations: through business processes or through projects. Business processes are permanent work structures that transform inputs continuously into outputs as ongoing operations. Projects on the other hand are temporary work structures that shut down once the output has been achieved.”

Robbins, (1998:629) states that “since the organizations’ success or failure is essential due to the things that its employees do or fail to do (processes), any planned change must also be concerned
with changing the behavior of individuals and groups within the organization.” It is therefore critical that management does have scientific control over the function or Critical Core Capability that touches “the way things get done”.

The researcher are therefore of the opinion that business process being the core descriptor of the “how”, “what”, “when”, and “why” of every individuals daily interaction with his work, his colleagues, his organization and his clients is maybe by far the biggest factor of satisfaction, dissatisfaction, harmony or conflict in the organization and determines to a large extent what the behavior of the individual, the groups and the organization at large will be on a daily basis.

Business Process was identified as core to all the performance enablers and was elevated to a Critical Core Capability status in many organizations. Derived from the above Business Process Management as a Critical Core Capability should encompass the four management functions, and should be supported by a proper organizational framework that includes strategy, structure, policies, procedures, and people. The literature search also confirmed that “synergy”, i.e. “The whole is more than its parts”, is paramount to success when it comes to the management of a Critical Core Capability.

With the above as reference the researcher set out to establish which criteria should be included in a measurement instrument to measure Business Process Management as a Critical Core Capability in an organization. The following primary research question was formulated and used as vantage point to develop, as the primary objective, said instrument:

What must be implemented, in terms of strategies, governance, enterprise architecture, and process optimization, to ensure that organization culture, people’s behavior and the work environment will be conducive to successfully establish and maintain Business Process Management as a Critical Core Capability of an organization?

Based on a proper research process and methodology the researcher utilized the following methods to develop the Test Instrument:

- A comprehensive literature study;
- Discussions with and inputs from experts;
- Questionnaires; and
- Statistical analysis.

An Assessment Tool for Measuring Business Process Management as a Core Capability in an organization comprising ninety items clustered in six criteria in a five factor scale was developed and tested in two organizations as well as in three different business units in the one organization.

The final Descriptive Statistics showed that the overall reliability of the items per criterion was highly acceptable with Cronbach Alpha Coefficients of 0.7315, 0.9216, 0.8224, 0.7650, 0.8248, and 0.7722 respectively, (higher than the acceptable level of 0.70).

The final analysis therefore concluded that the assessment tool, the Business Process Management Competency Assessment Model (BPMCAM), is a reliable tool that can distinguish in
terms of Business Process Management as a Critical Core Capability the level of an organization's readiness to implement and/or to sustain the Business Process Management functionality as a Critical Core Capability.

**Key Words:**