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

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**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.                     |
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| I, Adriana Isabella van der Westhuizen, declare that the thesis was language edited by Jody Boshoff,            |
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29 APRIL 2008

ADRIANA ISABELLA VAN DER WESTHUIZEN

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## **TABLE OF CONTENTS**

| Declaration                         |   | ii   |
|-------------------------------------|---|------|
| Acknowledge                         | ments   | iii  |
| _                                   |   |      |
| List of Figures                     |   | viii |
| List of Tables                      |   | ix   |
| Abstract                            |   | xii  |
|                                     |   |      |
| INDEX                               |   |      |
| Chapter 1                           |   |      |
| 1.1                                 | INTRODUCTION  |      |
| 1.2                                 | THE RESEARCH PROBLEM AND ITS SIGNIFICANCE                         | 3    |
| 1.3                                 | SCOPE OF RESEARCH   | 6    |
| 1.4                                 | THE OBJECTIVE OF THE RESEARCH                                     | 7    |
| 1.5                                 | CONTRIBUTION OF THE STUDY   | 8    |
| 1.6                                 | RESEARCH PROCESS AND METHODOLOGY                                  | 8    |
| 1.7                                 | CHAPTER LAYOUT OF THE REPORT                                      | 11   |
| Chapter 2                           |   |      |
| 2.1                                 | INTRODUCTION  | 15   |
| 2.2                                 | DEFINING OF KEY CONCEPTS  | _    |
| 2.2.1                               | Definition of Critical Core Capabilities                          |      |
| 2.2.2                               | Definition of Criteria  |      |
| 2.2.3                               | Definition of Critical Success Factors                            |      |
| 2.2.4                               | Definition of Business Process Management                         |      |
| 2.2.4                               | BUSINESS PROCESS MANAGEMENT AS A CRITICAL CORE CAPABILITY         |      |
| 2.3.1                               | Management  |      |
| 2.3.1                               | S .   |      |
| 2.3.3                               | Business Process Management Philosophy                            |      |
| 2.3.4                               | Conclusion on Business Process Management Philosophy              |      |
|                                     | MANAGEMENT PRINCIPLES WITHIN PERFORMANCE ENABLERS                 |      |
| <ul><li>2.4</li><li>2.4.1</li></ul> |   |      |
| 2.4.1                               | Introduction  |      |
|                                     | Business Process Reengineering                                    |      |
| 2.4.3                               | Total Quality Management  |      |
| 2.4.4                               | Six Sigma   |      |
| 2.4.5                               | Lean Six Sigma  |      |
| 2.4.6                               | Literature-related Critical Success Factors: Performance Enablers | 28   |
| 2.4.7                               | Combined Critical Success Factors for BPM as a Philosophy and     | 20   |
| 2.4.8                               | Management Tool   |      |
| 2.4.0                               | STRATEGY AND STRATEGIC MANAGEMENT                                 |      |
| -                                   |   |      |
| 2.5.1                               | Critical Success Factors specific to Strategy                     |      |
| 2.6                                 |   |      |
| 2.6.1                               | Critical Success Factors specific to Governance                   | 32   |

| 2.7         | ENTERPRISE ARCHITECTURE  | 32 |
|-------------|--|----|
| 2.7.1       | Infrastructure   | 34 |
| 2.7.1.1     | Roles, Responsibilities, Competencies and Skills                   | 36 |
| 2.7.1.2     | Management/Leadership  | 37 |
| 2.7.1.3     | Steering Committees  | 38 |
| 2.7.1.4     | Process Ownership  | 39 |
| 2.7.1.5     | Process Custodianship or Administratorship                         | 40 |
| 2.7.1.6     | Business Process Analysts, Process Engineers                       | 41 |
| 2.7.1.7     | Project Teams  | 42 |
| 2.7.1.8     | External Consultants   | 43 |
| 2.7.1.9     | Stakeholders   | 44 |
| 2.7.1.10    | Roles and Responsibilities specific to Business Process Management | 45 |
| 2.7.1.11    | Policies, Procedures and Rules                                     | 47 |
| 2.7.1.12    | Management of People   | 48 |
| 2.7.1.12.1  | Training of Staff Complement                                       | 49 |
| 2.7.1.12.2  | Measurement/Appraisal of Staff Complement                          | 50 |
| 2.7.1.12.3  | Rewarding and remunerating Staff Complement                        | 51 |
| 2.7.1.13    | Communication  | 52 |
| 2.7.1.14    | Perceptiveness to Change   | 53 |
| 2.7.1.15    | Critical Success Factors applying to Enterprise Architecture       |    |
| 2.7.2       | Process Architecture   |    |
| 2.7.2.1     | Process  | 56 |
| 2.7.2.2     | Characteristics of Processes                                       | 58 |
| 2.7.2.3     | Process Classification   | 59 |
| 2.7.2.4     | Process Taxonomy   | 60 |
| 2.7.2.4.1   | Value Chain Taxonomy   | 61 |
| 2.7.2.4.2.  | Functional Taxonomy  | 62 |
| 2.7.2.4.3   | Product Life Cycle Taxonomy  | 62 |
| 2.7.2.4.4   | Process Decomposition  | 63 |
| 2.7.2.4.5   | Process Levels   | 64 |
| 2.7.2.4.5.1 | Enterprise level   | 64 |
| 2.7.2.4.5.2 | Main or end-to-end value chain process level                       | 64 |
| 2.7.2.4.5.3 | Sub-process level  | 65 |
| 2.7.2.4.5.4 | Activity level   | 65 |
| 2.7.2.4.5.5 | Task level   | 65 |
| 2.7.2.4.6   | Process Modeling/Mapping   | 65 |
| 2.7.2.4.6.1 | Types of process models/maps                                       | 66 |
| 2.7.2.4.7   | Standards of Process Models/Maps                                   | 67 |
| 2.7.2.4.7.1 | Naming conventions   | 67 |
| 2.7.2.4.7.2 | Language- and spelling rules                                       | 68 |
| 2.7.2.4.8   | Process Goals  | 68 |
| 2.7.2.4.9   | Quality Control on Process Maps                                    | 69 |
| 2.7.2.4.10  | Change Control and Version Control                                 | 70 |
| 2.7.2.4.11  | Critical Success Factors applying to: Process Architecture         | 70 |
| 2.7.3       | Systems and Information Architecture                               | 71 |

| 2.7.3.1    | Process Modeling Software Packages/Tools                       | 72 |
|------------|--|----|
| 2.7.3.2    | Business Process Automation                                    | 73 |
| 2.7.3.3    | Process Repository   | 73 |
| 2.7.3.4    | Links to other Systems   | 73 |
| 2.7.3.5    | Publishing   | 73 |
| 2.7.3.6    | Change Control   | 74 |
| 2.7.3.7    | Critical Success Factors: Systems and Information Architecture | 75 |
| 2.8        | OPTIMIZATION   | 75 |
| 2.8.1      | Process Improvement  | 76 |
| 2.8.1.1    | Business Process Management: Process Improvement Perspective   | 76 |
| 2.8.1.2    | Improvement Identification                                     | 79 |
| 2.8.1.3    | Process Improvement Methodologies                              | 79 |
| 2.8.1.3.1  | Business Process Reengineering                                 | 82 |
| 2.8.1.3.2  | Business Process Redesign                                      | 83 |
| 2.8.1.3.3  | Continuous Process Improvement                                 | 83 |
| 2.8.1.3.4  | Total Quality Management                                       | 83 |
| 2.8.1.3.5  | Continuous Quality Improvement                                 | 84 |
| 2.8.1.3.6  | Just-in-Time   | 84 |
| 2.8.1.3.7  | Six Sigma  | 84 |
| 2.8.1.3.8  | ISO 9000   | 85 |
| 2.8.1.3.9  | Service Level Agreements                                       | 85 |
| 2.8.1.3.10 | Staffing models and capacity planning                          | 86 |
| 2.8.1.4    | Process Improvement Model/Approach                             | 86 |
| 2.8.1.5    | Analysis Techniques  | 89 |
| 2.8.1.5.1  | Observation and Interviewing                                   | 89 |
| 2.8.1.5.2  | Performance Analysis   | 89 |
| 2.8.1.6    | Process Improvement Techniques                                 | 90 |
| 2.8.1.7    | Project Management Principles                                  | 90 |
| 2.8.1.8    | Risk Management  | 91 |
| 2.8.2      | Critical Success Factors Specific to Process Improvement       | 91 |
| 2.9        | PROCESS REVIEW CYCLE   | 92 |
| 2.9.1      | Review during Process Improvement or Development Cycle         | 92 |
| 2.9.2      | Review during the Operational Cycle                            | 93 |
| 2.9.3      | Critical Success Factors Specific to Process Review Cycle      | 94 |
| 2.10       | STANDARDS AND MEASUREMENT                                      | 94 |
| 2.10.1     | Standards  | 95 |
| 2.10.2     | Measurement  | 95 |
| 2.10.2.1   | Measurement Techniques   | 96 |
| 2.10.2.1.1 | Balanced Scorecard   | 96 |
| 2.10.2.1.2 | Benchmarking   | 97 |
| 2.10.2.1.3 | Conformance to standards                                       | 97 |
| 2.10.2.1.4 | Fitness for purpose  | 97 |
| 2.10.2.1.5 | Process time measures  | 97 |
| 2.10.2.1.6 | Process costs  | 98 |
| 2.10.2.1.7 | Customer satisfaction  | 98 |

| 2.10.2.1.8  | Supplier relationships   | 99  |
|-------------|--|-----|
| 2.10.2.1.9  | Reaching process goal  | 99  |
| 2.10.2.1.10 | Quality  | 99  |
| 2.10.2.2    | Responsibility for Measurement and Control                                 | 100 |
| 2.10.2.3    | Critical Success Factors applying to: Standards and Measures               | 100 |
| 2.11        | ASSESSMENT MODELS  | 100 |
| 2.11.1      | Excellence Models  | 101 |
| 2.11.2      | Self-assessment  | 102 |
| 2.11.2.1    | Self-assessment Process  | 102 |
| 2.11.2.1.1  | Reasons for self-assessment  | 107 |
| 2.11.2.1.2  | Approaches to self-assessment  | 107 |
| 2.11.2.2    | Benefits of self-assessment  | 108 |
| 2.11.2.3    | Conclusion: Excellence Models  | 109 |
| 2.11.2.4    | Critical Success Factors: specific to Excellence Models                    | 109 |
| 2.12        | SHORTCOMINGS AND LIMITATIONS OF PREVIOUS RESEARCH                          | 109 |
| 2.13        | CONCLUSION   | 110 |
|             |  |     |
| Chapter 3   |  |     |
| 3.1         | INTRODUCTION   | 113 |
| 3.2         | THEORETICAL FRAMEWORK  | 113 |
| 3.2.1       | Research Process   | 114 |
| 3.3         | RESEARCH DESIGN AND METHODOLOGY: CONCEPT                                   | 115 |
| 3.3.1       | Qualitative Research   | 117 |
| 3.3.1.1     | Exploratory Study – Step 1   | 117 |
| 3.3.1.2     | Descriptive Study – Step 2   | 119 |
| 3.3.1.3     | The Literature Review Step 3 and 4   | 119 |
| 3.3.2       | The Empirical Phase: Participants and Sampling                             | 121 |
| 3.3.3       | Evaluation of Content Validity of Model – Step 5                           | 122 |
| 3.3.4       | Development of the BPMCAM – Scale Development – Step 6                     | 122 |
| 3.3.5       | Testing of the BPMCAM via Survey Questionnaire                             | 127 |
| 3.3.6       | Finalize Thesis and Feedback   | 128 |
| 3.4         | CONCLUSION   | 128 |
|             |  |     |
| Chapter 4   |  |     |
| 4.1         | INTRODUCTION   | 129 |
| 4.2         | RESULTS AND FINDINGS   | 129 |
| 4.2.1       | Verification of Content Validity of BPMCAMs, Criteria and Critical Success |     |
|             | Factors  | 130 |
| 4.2.2       | BPMCAM Development – Scale Development                                     | 141 |
| 4.2.2.1     | Item Analysis  |     |
| 4.2.2.2     | Factor Analysis  |     |
| 4.2.2.2.1   | Factor Analysis on total items set of 93 Items                             |     |
| 4.2.2.2.2   | Factor Analysis on: 7 predetermined criteria of 93 items                   |     |
| 4.2.2.2.1   | Factor Analysis on Criteria: Strategy Formulation                          |     |
|             | · · · · · · · · · · · · · · · · · · ·                                      |     |

| 4.2.2.2.2.2 | 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 |
| 4.2.2.2.2.6 | 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 |
| 4.2.2.2.3   | Summary on EFA   | 177 |
| 4.2.2.2.4   | Final Item Analysis  | 178 |
| 4.2.3       | Testing the BPMCAM   | 181 |
| 4.3         | CONCLUSION   | 186 |
| 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 RE  | FERENCES   | 197 |
| LIST OF AN  | NEXURES  |     |
| ANNEXURE    | "A"  | 204 |
| ANNEXURE    | "B"  | 215 |
| ANNEXURE    | "C"  | 225 |
| LIST OF FIG | GURES  |     |
| 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 TA  | BLES  |     |
| 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)   | 171 |
| 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)   | 172 |
| 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 |

| Table 4.41  | Eigenvalues and % variance for Criteria "Continuous improvement               |     |
|-------------|---|-----|
|             | of business processes" (N = 313)  | 174 |
| Table 4.42  | Sorted rotated factor loadings on 5 items on 1 factor for Criteria            |     |
|             | "Continuous improvement of business processes" (N = 313)                      | 174 |
| Table 4.42a | Eigenvalues and % variance for combined Criteria "Optimizing of business      |     |
|             | processes" (N = 313)  | 175 |
| Table 4.42b | Sorted rotated factor loadings on 13 items on 2 factors for Criteria          |     |
|             | "Optimizing of business processes" (N = 313)                                  | 175 |
| Table 4.42c | Sorted rotated factor loadings on 13 items on 1 factor for Criteria           |     |
|             | "Optimizing of business processes" (N = 313)                                  | 176 |
| Table 4.43  | Eigenvalues and % variance for Criteria "Assess business processes            |     |
|             | against appropriate standards" (N = 313)                                      | 176 |
| Table 4.44  | Sorted rotated factor loadings on 6 items on 1 factor for Criteria            |     |
|             | "Assess business processes against appropriate standard" (N = 313)            | 177 |
| Table 4.45  | Final factor scale for the BPMCAM   | 177 |
| Table 4.46  | Final items per 6 factor scale after item and EFA on the BPMCAM               | 178 |
| Table 4.47  | Final Item Analysis on the "Strategy" Factor root                             | 178 |
| Table 4.48  | Final Item Analysis on the "People and Structure" Factor root                 | 179 |
| Table 4.49  | Final Item Analysis on the "Process Architecture" Factor root                 | 180 |
| Table 4.50  | Final Item Analysis on the "Systems and Information Architecture" Factor root | 180 |
| Table 4.51  | Final Item Analysis on the "Process Optimization" Factor root                 | 180 |
| Table 4.52  | Final Item Analysis on the "Standards and Measurement" Factor root            | 181 |
| Table 4.53  | Descriptive statistics of the final Item Analysis in the 6-factor scale       | 181 |
| Table 4.54  | Biographical Information – Organization "A" and "B"                           | 182 |
| Table 4.55  | Mann-Whitney t-test between Organizations "A" and "B"                         | 183 |
| Table 4.56  | Mann-Whitney t-test comparing 3 Business Units in Organization "A"            | 184 |
| Table 5.1   | Final factor scale for the BPMCAM   | 194 |

### **ABSTRACT**

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

Ву

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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 everchanging 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:**

Business Process Management, Process, Critical Core Capability, Criteria, Scale Development, Assessment Models, Assessment Tool, Performance Enablers.