

MANAGING CHANGE WHEN IMPLEMENTING BUSINESS PROCESS MANAGEMENT

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ABSTRACT

In this paper I attempted to establish the link between business process management and change management. After the introduction, in the second chapter I made a short presentation of business process management, what the concept entails and prospects. The third chapter contains a definition of change management and types of changes that can occur in an organization when implementing Business Process Management. The fourth part of this paper contains two models for change and present how they relate to an organization focused on processes. In the last chapter I give examples of resistance to change that can manifest during the implementation of Business Process Management and possible solutions to these obstacles.

KEYWORDS: *business process management (BPM), change management, process.*

JEL CLASSIFICATION: *D0, L20*

1. INTRODUCTION

Over the past decades the world has begun to change at a more rapid rate. Of course change is the only constant that we can be sure of, but the rhythm in which these changes occur has increased considerably and economy is by no means excluded from this rule. Every day theorists and practitioners come up with new economic models, new definitions, new concepts concerning virtually every part of what can be called the modern economy.

Business process theory has also evolved in the last few decades at a much faster pace than ever before. Business Process Management is considered to be the third wave in process theory and it will surely not stop here. BPM will make its mark like reengineering has before. But BPM is a very complex concept still in its infancy and much can be added.

BPM, much like BPR, does represent a shock to the organization and requires substantial changes in order to implement it. In this paper I try to present the types of changes that occur in implementing BPM, change models that can be used, and possible solutions to overcome resistance to change

2. PROCESSES AND BUSINESS PROCESS MANAGEMENT

Before discussing Business Process Management and the link between this and Change Management I believe it is important to, first of all, define business processes. In table nr.1 below I presented several definitions given by experts and attempted to present a definition of my own.

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Table 1 Business processes - definition

Nr. crt.	Autori	Definitions offered to business processes
1	Thomas Davenport	Business Processes are a structured, measured set of activities designed to produce a specific output for a particular customer or market. It implies a strong emphasis on how work is done within an organization, in contrast to a product focus's emphasis on what. A process is thus a specific ordering of work activities across time and space, with a beginning and an end, and clearly defined inputs and outputs: a structure for action. Taking a process approach implies adopting the customer's point of view. Processes are the structure by which an organization does what is necessary to produce value for its customers.(Davenport,2003)
2	Michael Hammer and James Champy	A business process is a collection of activities that takes one or more kinds of input and creates an output that is of value to the customer (Hammer et Champy, 1993)
3	Rummler and Brache	A business process is a series of steps designed to produce a product or service. Most processes are cross-functional, spanning the 'white space' between the boxes on the organization chart. Some processes result in a product or service that is received by an organization's external customer. We call these primary processes. Other processes produce products that are invisible to the external customer but essential to the effective management of the business. We call these support processes (Rummler et Brache, 1995)
4	Henry J. Johansson, Patrick McHugh, A. John Pendlebury, William A. Wheeler	Business Processes a set of linked activities that take an input and transform it to create an output. Ideally, the transformation that occurs in the process should add value to the input and create an output that is more useful and effective to the recipient either upstream or downstream.(Johansson et. All, 1993)
5	Personal opinion	Business Processes represent those activities or series of activities that contribute to the realisation of a final product either directly by adding value to the inputs of the organization or indirectly by contributing to the optimal running of organizational activities.

Source: made by author

Business Process Management is a theoretical concept that has appeared relatively recently. It is only in the last decade the serious attention has been paid to it and to the improvements that it supports. Business Process Management (BPM) is derived from Business Process Reengineering which was defined by one of its creators, as being: "the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality, service and speed." (Hammer et Champy, 1993)

Business Process Reengineering has had its share of criticism. The most important aspect that is considered to be neglected by BPR is the human dimension of the organization. Very often, the label BPR was used for major workforce reductions, even though the creators of the concept promoted that it should not be used solely with the purpose of reducing costs. Reengineering focuses

on business processes and most of the time the ones who implement the measures neglect to think of the organization as a whole. It was also said that BPR offers short term solution but no long term continuity. This last fact was a particularly difficult obstacle because of the approach put forward by Davenport concerning multiplicative growth. A lot of companies considered that process reengineering was a strategy in itself but neglected the continuous evaluation part of the equation. The changes were often made almost mechanical without detailing to the particular realities of that certain organization. BPR worked for a lot of companies but it also failed in a lot of places.

As a response to the critique, solutions have been formulated in order to optimize the efficiency of business processes. These solutions are integrated in Business Process Management (BPM). BPM is a management approach focused on aligning all aspects of an organization with the wants and needs of clients. It is a holistic management approach that promotes business effectiveness and efficiency while striving for innovation, flexibility, and integration with technology (Brocke et Rosemann, 2010). Mathias Weske defines Business Process Management as being: „concepts, methods and techniques to support the design, administration, configuration, enactment and analysis of business processes”(Waske, 2007). From this definition, Mathias Weske has identified five categories of activities related to Business Process Management: design and analysis, modeling, configuration, enactment, and evaluation. (Balanescu, 2011)

The process based management approach has, at its core, a perspective that views the organisation as a system of interconnected processes which involve efforts in documentation, improvement and respect for the business practices of the organization. It is considered that this concept evolved from the works of W.Edgards Demings, Joseph M. Juran and Kaoru Ishikawa, following a rapid popularisation of Total Quality Management in the late 1980's. Further contributing factors can be identified such as: the ISO 9000 programmes, Business Process Reengineering and Six Sigma. (Benner et Tuchman, 2002)

Business Process Management is a management approach that has, as its main objective, to align the functions of the organisation to the needs of the customer, promoting an open environment favourable to change and continuous improvement and growth.

3. CHANGE MANAGEMENT

The change management learning center defines change management as „the process, tools and techniques to manage the people side of business change to achieve the required business outcome, and to realize that business change effectively within the social infrastructure of the workplace. Change management is the coordination of a structured period of transition from situation A to situation B in order to achieve lasting change within an organization.

Kotter defines change management as the utilization of basic structures and tools to control any organizational change effort. Change management's goal is to maximize an organization's benefits and minimize the change impacts on workers and avoid distractions. (Kotter, 2012)

There are five types of changes than can occur in an organization:

- a) Mission changes: in the case of BPM, mission changes are not a necessity. BPM is created in order to align the business processes of the company with the needs and expectations of the customers. However, most companies and large organisations already address the need to focus on the customer in their mission statements and realise the importance of that fact. The only alteration that can occur in this case is putting the business processes of the organisation to serve these needs and expectation. All in all, the changes to the mission if the organisation should be minor by implementing BPM.
- b) Strategic changes: On this point there can be some debate. Should the strategy of the organisation call for the implementation of Business Process Management or should BPM influence the strategy? This, I believe is a misconception at least on the part of many practitioners. In my opinion BPM cannot be considered a strategy but rather a strategic

component or option of a larger plan. BPM should not influence strategy, but should be seen as a method to achieve the strategical objectives of the organization. It is true that the option of implementing BPM can alter long term objectives such as revenue, process efficiency indicators, profit, overall production costs and others. Furthermore, implementing BPM requires the usage of other strategic options that may or may not be used at present: refurbishment, the increase of computerization in work processes, modernization of personnel staff etc. BPM is a very flexible concept: it can affect only one or two processes in the company or can represent a complete redesign of major processes, the decision being based on the strenghts, weaknesses, opportunities and threats that the organisation has to deal with. Based on this point the effect that BPM has to the strategy is directly proportional to the scope of its usage. In conclusion BPM does affect a part of the company strategy but does not become the strategy. BPM should only be used in correlation with strategic management and only to ensure the achievement of strategic objectives.

- c) Operational changes (including Structural changes): BPM has the objective to help the efficiency of business processes so operational changes are necessary. Some processes can be improved, some can be eliminated or new processes created, all of this affects the operations of the organization. On the other hand, Business Process Management does not require structural changes. This should be approached on a case by case basis. Some companies decide that with the implementation of BPM new departments should be created to oversee the changes, monitor and evaluate the results and keep an eye out for potential improvements. For example, the british company Carphone Warehouse Group, in implementing BPM created a new department designated „Business Change department” to oversee the changes required and identify possible new solutions in the future.
- d) Technological changes: As I have said before BPM can be broken down in two: a technological approach and a managerial approach. After understanding this it is clear that technological changes must occur in the organization in order for BPM to be implemented with success. A very large part of BPM is automation of activities and processes wherever possible in order to increase efficiency. To that end the acquisition of state of the art technology becomes a necessity. The implementation of BPM can only occur with the modernization of the technology used by the organization.
- e) Changing the attitudes and behaviors of personnel: Whenever a company states that their focus is on processes it tends to make the employees a little nervous. In the past, Business Process Reengineering has been used as an excuse for personnel cuts. The automation of processes is seen by some as a threat to their job security. BPM will cause changes in the human resource department, but that does not necessarily mean personnel cuts. Implementation of new technology will require training courses for the staff, the focus on processes cannot involve only top management, it has to go down to the execution level of the company. Employees should learn to embrace change, to be able to adapt to new responsibilities, new duties and comply to new objectives regarding business processes.

From this classification it becomes clear that Business Process Management can have a very large scope and a great deal of influence in the life of an organization. It affects strategic objectives, other strategic tools, it demands technological improvements and poses problems on a human resource level. So it is safe to say that BPM does require great efforts and important changes on behalf of those who use it.

4. CHANGE MANAGEMENT MODELS

4.1. The Lewin model for change (Lewin, 1997)

Using this model K Lewin tried to explain and point out the steps that an organization has to go through in order to go from an initial situation to a future, desired situation.

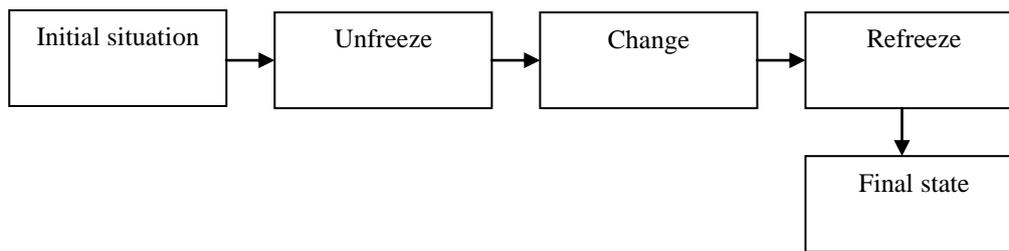


Figure.1 The Lewin Model

Source: Nastase (2005, p.233)

The initial state represents the current state of the organization. In order for change to be needed this state must be characterised either as not conforming to internal and external requirements or not living up to the expected potential. As a result of these problems the need to introduce a change in business practices becomes evident.

Unfreeze represents the step in which top management informs internal stakeholders about the need for change and the consequences should they not decide to be involved. This step basically involves preparing the organization to accept the change that is necessary, which involves breaking down the existing status-quo before building up a new way of operating. Preparing the terrain is very important because the resistance to change can manifest in any organization and it can pose a serious threat to future plans. It is important to have a clear message for all stakeholders, to be able to present a realistic and attractive plan that can motivate a large part of employees. Also, managers on all levels should be as involved as possible in order to emphasize the importance placed on this operation.

Change is the step where the modifications are introduced. These modifications can target several domains and departments: technical, managerial, social etc.

Refreeze is the procedure by which top management attempts to institutionalize the changes previously applied. This step in itself can cause changes to organizational structure, operating procedures or processes.

The final state represents the desired situation that should have been reached through the measures implemented previously. Ideally the organization should be functioning at higher parameters, offering increased performance compared to the initial state.

This model is somewhat simplistic in my opinion and it fails to take into account the continuous change that every organization has to deal with at present. Going from what you currently have to a situation you want is not realistic in the current climate. Change is, in my opinion, not as linear as this model depicts. It must also be mentioned that some specialists ignore the initial state and final state from the model as being redundant, in this way the Lewin model becoming a three step plan. This model is very interesting for use when dealing with Business Process Reengineering. This is because reengineering does not seek to improve on what already exists, it tries to replace, to come up with something new, radical changes for radical results. In this case, the Lewin model can be used. Starting from the current situation, going through the need for significant and radical changes, implementing the changes and cementing the new situation. BPR does not traditionally account for continuous improvement, it is basically a shock tactic which makes this model a suitable one.

4.2. The Moorhead - Griffin model for continuous change (Moorhead et Griffin, 1998)

The Moorhead – Griffin model is more complex than the Lewin model. It takes into account the fact that change is not a singular event in today's economy and you cannot just go through three steps

between where you are and where you want to be. This model recognizes that change has become a day to day reality, something that every company has to deal with in order to stay competitive.

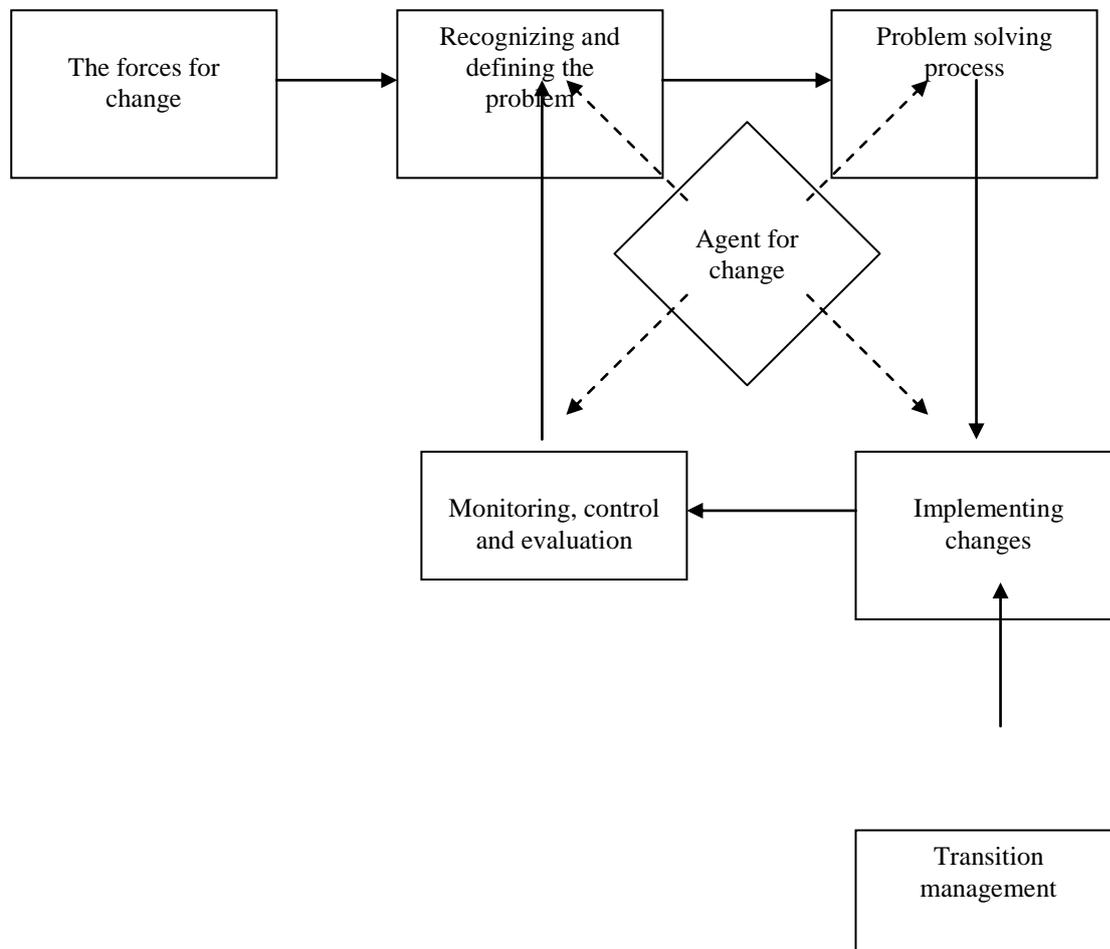


Figure 2 The Moorhead - Griffin model for continuous change

Source: Moorhead et Griffin (1998, p.477)

The forces for change are represented by all the external or internal factors that cause weaknesses for the organization and create dissatisfaction with the current situation. If we take into account the link between BPM and change management to these we can associate factors that determine the use of BPM. Like with the case of reengineering those factors are the three C's: clients, customers and change.

Recognizing and defining problems: in this step the company uses complex diagnostic analysis to determine the strengths and weaknesses and the causes that generated them. This is the point where top management decides which of the problems get priority in the next period.

Problem solving process: in this phase the top management of the organization, either alone or working with external consultants, find solutions to the problems previously identified. It is very important to target the causes of the problems and not simply the effects in order to assure a lasting foundation for continuous growth. Also, the team has to find a way to encourage the positive aspects identified in the diagnosis performed earlier. It is important to create different scenarios for solving problems in order to assure adaptability to the situations that will arise.

Implementing changes: this step is similar to the one in the Lewin model. In this phase management implements the solutions identified earlier.

Monitoring, control and evaluation: implementing BPM represent a risk like with all new changes. Monitoring and controlling these changes and the way they affect other systems or processes is crucial. This phase should not be limited to the duration of implementing the changes, but should rather be done on a continual basis. The goal is to be able to apply corrective measures when and if they are necessary and be on the lookout for potential improvements to the system.

Transition management: refers to the specific management practices that must be implemented in the period between the initial situation and the desired situation.

This model is much more appropriate when dealing with BPM. It is more flexible than the Lewin model, it accounts for possible changes and improvements in the implementation stage and gives room for continuous improvement by constant monitoring, control and evaluation

5. RESISTANCE TO CHANGE IN BPM IMPLEMENTATION

When discussing implementing BPM, or any other type of major change for that matter there is one more factor that has to be taken into account: resistance to change. This is something inevitable as it is something that defines to one degree or another every individual. Change meaning going from something known to something unknown, unpredictable, despite planning and assurances. Resistance to change can be manifested on an individual level or on an organizational level. In table nr. 2 I tried to give examples of resistance to change that are relevant to the implementation of BPM and propose solutions to either avoid the problems or deal with them when they appear

Table 2. Examples of resistance to change

Nr. crt.	Type of resistance to change	Problem	Potential solutions
1	Organizational resistance to change	High level of bureaucratization	This can stall the implementation of any changes for quite a long while. Fortunately, in the case of BPM, decreasing the level of bureaucratization is one of the effects meaning that the further along the implementation the less resistance the organization should have to deal with. Automation of certain processes can help with this problem.
		Insufficient resources	This can be a problem for implementing BPM because this is an expensive process. And because BPM takes into account continuous evolution and improvement the long term costs are hard to predict. However a good diagnosis of the current situation coupled with a strategic thinking for the future can give an estimate of future costs

Nr. crt.	Type of resistance to change	Problem	Pottential solutions
		Organizational culture	If the organizational culture is a closed one that can present problems because the internal stakeholders will be very reluctant to change. BPM does involve important changes, maybe not radical ones, but they are consistent. But organizational culture can be addapted either empiracally when dealing with a small company or by using methods such as the Schein model for large companies.
		Different perspective of changes	This is particularly problematic in the case of BPM because it is a developing concept and one somewhat hard to grasp. But it is neccessary for top management to explain the need for changes, the need for BPM and the results that it can offer to the organization.
2	Individual resistance to change	Job safety	When a company declares itsaelf to be process oriented it is automatically assumed that means some employees. Reengineering actually received a lot of criticism because it was used as a way to reduce the number of staff. It is true that every major change, BPM included, can cause problems for employees. It is important that top management explain the job status of every employee no matter at what level and clearly state whether layoffs will hapen and the criteria on which they will be based on.
		The incapacity to understand change	BPM means automation, means acquiring new technologies, doing things differently. But the organization implementing it need to understand that technology is not enough. It is necessary to explain the changes that are happening and the reasons behind these changes. Also management should provide training for anybody who will have to work with the new systems for the adaptation period to be reduced.

Source: made by author

6. CONCLUSIONS

It is clear that a relationship exists between process oriented organizations and implementing change management. BPM represents the third wave in business process theory and is very much a work in progress but some things have become clear. BPM does require significant changes of behalf of the organizations that choose to implement it. As I presented in the third part of this paper these changes can affect virtually every aspect of that organization starting with business strategy and ending with technology and human resources. Analizing the change models (the Lewin model) and the Moorhead – Griffin it is clear that they can be adapted to serve the implementation of either BPR or BPM. Finally, resistance to change is a danger in every undertaking. In the case of BPM the risks are that much higher because, usually the investments and expectations are very high. It is imposible to predict every form of resistance to change that can occur. I tried to present some examples and potential solutions for those problems that I believe occur in most instances.

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