Ist Ihre Organisationskultur fit für Prozessmanagement?

Dr. Theresa Schmiedel
BPM Group
Institute of Information Systems

November 23rd, 2016
Agenda

BPM as an organizational management approach

The concept of culture

The relation between culture and business process management

The concept of BPM culture

Assessing and developing an organizational culture
BPM is the management of...

...organizational processes

= steps companies do to generate customer value!
Ten Principles of Good BPM – www.bpm-principles.org

Principle of continuity

Principle of holism

Principle of institutionalization

Principle of joint understanding

Principle of simplicity

Principle of technology appropriation

Principle of purpose

Principle of context-awareness

Principle of enablement

Principle of involvement

Holistic BPM

Business Process Management

Core Elements

- Strategic Alignment
- Governance
- Methods
- Information Technology
- People
- Culture

Rosemann & vom Brocke (2010)
Agenda

BPM as an organizational management approach

The concept of culture

The relation between culture and business process management

The concept of BPM culture

Assessing and developing an organizational culture
Cultures determine how we perceive things!
Two dimensions to be aware about

1. Referenced group
2. Manifestation
Cultural Groups and Cultural Identity

- Nation
- Organization
- Subgroup
- Profession
Cultural Groups and Cultural Identity

- omnipresent
  every group has a culture

- overlapping
  a person can have several cultural identities

- heterogeneous
  subcultures of groups can exist
Two key dimensions to be aware about

1. Referenced group
2. Manifestation
How does the culture at your organization manifest?

Do people work with doors open or closed?

Are people on time for meetings?

Which communication channels do people prefer?
The Iceberg Model of Culture

above surface
- interaction
- rules
- symbols
- architecture
- clothing
- visible cultural characteristics

underneath surface
- time orientation
- gender role
- interpretations
- social order
- meaning of individuality
- visible cultural characteristics
- invisible cultural characteristics
Culture

actions

structures

values

= concepts of the desirable
= shared basic assumptions of a group

vom Brocke & Sinnl (2011)
The Core Element of Culture

- Mission statements
- Publicly expressed values

= Propagated values
= Espoused values

→ Congruent with "lived" values?

Values

= Concepts of the desirable
= Shared basic assumptions

→ "Lived" values!
Agenda

- BPM as an organizational management approach
- The concept of culture
- The relation between culture and business process management
- The concept of BPM culture
- Assessing and developing an organizational culture
BPM adoption inevitably forces cultural change. \(\text{Gartner}\)

Cultural resistance is the main cause of BPM project failure. \(\text{FORRESTER}\)

The ability for BPM to mean the organization and drive value to multiple areas of the business is heavily dependent upon organizational culture. \(\text{Aberdeen Group}\)

Practice & Research

The process culture is an important ingredient to a successful BPM recipe. Kapil Pant, Consultant \(\text{Deloitte}\).

Practice

The approach to BPM should fit the culture of the organization. Armistead, Pritchard, Machin (1999)

Research

The real problems when implementing the process orientation approach are of a cultural nature. Kohlbacher, Gruenwald (2011)

BPM culture incorporates the collective values and beliefs in regards to the process-centred organization. Rosemann, vom Brocke (2010)
How can we get beyond stating the importance of culture in BPM?
Relation between Culture and BPM

1. Influence of culture on BPM
2. Influence of BPM on culture
3. Notion of a BPM culture

vom Brocke & Sinnl (2011)
Cultural Context:

- a specific cultural environment that a BPM initiative faces

- typically determined by national, organizational and work group cultures
Relation between Culture and BPM

1. Influence of culture on BPM
2. Influence of BPM on culture
3. Notion of a BPM culture

vom Brocke & Sinnl (2011)

© Dr. Theresa Schmiedel
BPM Culture:

- a set of values directly supportive of BPM objectives

  visible in corresponding
  • actions and
  • structures

  • executing efficient processes
  • executing effective processes

Schmiedel, vom Brocke, Recker (2013)
BPM-Culture-Model

vom Brocke & Sinnl (2011)
Cultural Fit:

- a basic congruence between the cultural context and the BPM culture
- critical for a successful BPM implementation

vom Brocke & Sinnl (2011)
Agenda

- BPM as an organizational management approach
- The concept of culture
- The relation between culture and business process management
- The concept of BPM culture
- Assessing and developing an organizational culture
Which values make up a BPM-supportive culture?
Delphi Study Outline

• around 60 top BPM experts worldwide invited
• senior scholars and practitioners
• 27 participants from 13 countries
• 3 independent coders from 2 continents
• period of 12 weeks
• response rate of at least 89% in every round
• continuously rising level of satisfaction with the codification of the experts’ input (up to 8.3 out of 10 scores)

specific BPM-supportive values

Schmiedel, vom Brocke, Recker (2013)
## Dimensions of BPM-supportive Values

<table>
<thead>
<tr>
<th>CERT values</th>
<th>Dimensions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Customer orientation</strong></td>
<td>external customer</td>
</tr>
<tr>
<td></td>
<td>internal customer</td>
</tr>
<tr>
<td><strong>Excellence</strong></td>
<td>innovation</td>
</tr>
<tr>
<td></td>
<td>continuous improvement</td>
</tr>
<tr>
<td><strong>Responsibility</strong></td>
<td>accountability</td>
</tr>
<tr>
<td></td>
<td>commitment</td>
</tr>
<tr>
<td><strong>Teamwork</strong></td>
<td>formal structures</td>
</tr>
<tr>
<td></td>
<td>informal structures</td>
</tr>
</tbody>
</table>

Schmiedel, vom Brocke, Recker (2014)
Agenda

BPM as an organizational management approach

The concept of culture

The relation between culture and business process management

The concept of BPM culture

Assessing and developing an organizational culture
How can the cultural fitness of organizations for BPM be measured?
To what extent do you agree with the following statements?
Please answer based on your understanding of your organization's core business processes:

<table>
<thead>
<tr>
<th>Statement</th>
<th>do not agree</th>
<th>moderately agree</th>
<th>completely agree</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our organization regularly evaluates its business processes for improvement.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Employees of our organization strive to continually improve our business processes.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Our organization regularly implements best practices that improve business processes.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Managers of our organization regularly invite ideas from our employees on ways to improve business processes.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Our organization regularly uses performance indicators to find ways to improve business processes.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>The core business processes of our organization are focused on satisfying our customers.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Our organization incorporates customer expectations into its business processes.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Our organization uses customer complaints as an opportunity to reflect on the redesign of business processes.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Our organization includes our customers in the design of our business processes.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Our organization understands the processes of our customers which lead to an interaction with our organization.</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
Cultural Fitness for Process Management

Your Personal Results

23 January 2013

Overall Result

The following chart gives an overview of the cultural fitness for running and changing business in your organization based on your answers:

![Chart showing cultural fitness dimensions](chart.png)

How to read this chart?

Research has shown that four specific cultural values are particularly supportive of process management:

- **Customer Orientation** – to what extent does your organization take a customer perspective?
- **Teamwork** – to what extent does your organization work in cross-departmental teams?
- **Excellence** – to what extent is your organization open towards improvement and innovation?
- **Responsibility** – to what extent is your organization responsible towards process objectives?
Scope of a Culture Assessment

Potential units of analysis

- Analysis of entire company
- Analysis of certain divisions
- Analysis of certain countries
- ...
- Benchmark analysis
Benefits of a Culture Assessment

Immediate results

• **Understanding** of culture perceptions in selected areas
• **Comparison** of culture perceptions between selected areas
• **External benchmark** of culture perceptions of selected areas
• **Awareness creation** for the importance of process thinking
• **Identification of culture development potential**

Follow-up potentials

• Development of **strategies and actions** for culture change
• Conscious **long-term culture management**
Exemplary Benchmark Result

Customer Orientation

Teamwork

Excellence

Responsibility

- informal structures
- formal structures
- commitment
- innovation
- accountability
- external customer
- internal customer
- continuous improvement
- organization X
- Best in Class
- Average in Class
- Worst in Class

© Dr. Theresa Schmiedel
Steps towards Culture Change

1. Assess the organizational culture to identify gaps
2. Determine desired cultural change
3. Align the organizational culture with strategic goals
4. Define strategies for culture development
5. Take actions to fill cultural identified gaps
Regular qualitative reflections and quantitative assessments

vom Brocke, Petry, Sinnl, Kristensen, Sonnenberg (2010)
Hilti Manager:

„I have never seen a corporate initiative that costs millions a year
to make sure that everybody is on the same page. And we are
not talking about half an hour: The first team camp takes two to three
days and we continue in that fashion resulting in two to four days
of commitment every year.“
“Corporate culture can have a significant impact on a firm’s long-term performance.”

- 4 times higher revenue,
- 7 times more expanded work force,
- 12 times higher stock prices
- 756 times higher net income

*Studies by Prof. John Kotter, Harvard*