Abstract

This paper uses the theoretical lenses of Stakeholder Theory and Organisational Capabilities Theory to shed light on two factors that can lead to higher levels of improvement. We report on the results of a case study of a major Australian retail organisation where we explore the impact of the proposed factors. Qualitative evidence shows that improvement depends on continuously revisited cyclical, not linear, stakeholders’ alignment process, and persistent development of Business Process Improvement (BPI) organisational-specific capabilities.

1. Introduction

Attaining higher levels of improvement in business processes, that lead to reduced costs or increased revenues, is critical to organisations today particularly in light of the fall-out from the global financial crisis [1]. In practice, organisations believe that there is always a capacity to achieve more with less [2]. This study draws on the importance of achieving higher levels of improvement from Business Process Improvement (BPI) initiatives in general and in the retail industry in particular. BPI was first defined by Harrington [31] in 1991 as "Any activity or group of activities that takes an input, adds value to it, and provides an output to an internal or external customer" [31, p.9].

In Australia, the Retail industry is the third largest industry (with AU$332.9b) after Manufacturing and Wholesale trade, and has the largest employment (with 1.27m persons) of any selected industry [3]. As such, the retail sector is an important contributor to the Australian economy. The three main retail group contributors to the industry come from Food, Hospitality, and Household.

Leading IT companies such as Microsoft provide Australian retailers with industry specific solutions. Microsoft claims that “…in this dynamic industry, only the most agile and innovative organisations will emerge as leaders” [4]. Interestingly, as part of their solution to assist retailers they claim that: “Microsoft solutions focus on delivering and improving business intelligence, collaboration, business activity monitoring, and business process improvement” [4].

BPI is related to a wide range of areas, methodologies and strategies such as: Benchmarking, Capability Maturity Model, ISO9000, Just in Time (JIT), Six Sigma, Total Quality Management (TQM), Trillium Model, and Twelve leverage points. BPI also has fundamental life cycle and methods similarity to Software Process Improvement.

The objective of this research is to support organisations in their endeavour to identify characteristics that would lead to the customization of BPI solutions and attain better results than those currently attained. Therefore, this paper is motivated by the lack of guidance to BPI project managers about what to focus on during their attempt to improve their business processes. Accordingly, we address the following main research question and two subsequent sub-questions.

RQ1: How can organisations achieve higher levels of business process improvement??
RQ2: How are the identified research areas measured?
RQ3: How are the identified research areas related?

First, to answer RQ1, this study conducts interpretive research and relies on two renowned organisational theories, viz. Stakeholder Theory and Organisational Capabilities Theory, to investigate how Higher Levels of Improvement (HLI) can be achieved. HLI, as used in this research, refers to “the process of attaining ‘better’ results from business process improvement”. Therefore, our attempt is to qualitatively investigate what areas contribute greatly and provide higher levels of improvement. Accordingly, we see it appropriate to use interpretive research with a reliance on phenomenological understanding.

Second, to answer RQ2 and RQ3 this research relies on an exploratory qualitative case study in a large Australian retail organisation that has plans to expand into the Asia-Pacific market. The business process under analysis in the case study is that of a recruitment process. The paper describes how this organisation aimed at centralizing the recruitment process across its recently acquired brands and the means by which higher levels of BPI were achieved during the project.
2. The theoretical framework

In this paper, the two relationships, Prop.1 and Prop.2 (Figure 1), are studied. On one hand, Prop.1 is a socially-oriented proposition and is the result of a factor based on Stakeholder Theory. SRA is chosen because the theory targets the requirements of a particular social group (i.e. key stakeholders). SRA is also considered as a Meta-Theory [27], and an amalgamation of the concepts of Stakeholder, Economic Theory, Behavioral Science, and Ethics. On the other hand, Prop.2 deals with an organisationally-oriented factor (BPI Organisational Capabilities), which is based on Organisational Capabilities Theory (OCT). OCT was chosen because it covers organisational, social, and technical capabilities. Therefore, both theories have a high level of abstraction focus thus considered as more appropriate than others such as Resource-based View of the Firm theory. The two main propositions (Prop.1 and Prop.2) under analysis are explained in detail next.

![Figure 1. The Theoretical Framework](image)

2.1. Key Stakeholders Requirements’ Alignment (SRA) and HLI.

The concept of aligning stakeholders’ requirements is core to Stakeholder Theory. The term ‘alignment’ however has been referred to differently in academic literature. Chan and Reich [5] for instance, found that in managerial literature the terms ‘fit’ (e.g. [6]), ‘linkage’ (e.g. [7]) ‘integration’ (e.g. [8]), ‘harmony’ [91], and ‘fusion’ [10] have been used interchangeably with ‘alignment’. However, ‘alignment’ is the dominant term in MIS literature ([5]). Consequently, this study adopts the use of ‘alignment’ to be synonymous with related terms noted above, and to refer to the alignment among the different legitimate requirements of all key stakeholders directly related to a BPI initiative. The alignment concept is referred to as SRA and follows closely Windsor’s [11] understanding: “… that interests move in the same general direction. Bus riders might get on and off at different points or two buses might convoy together for a trip” [11, p.5]. Similarly, in this study, Key Stakeholders Requirements’ Alignment means “orchestrating the different requirements of all key stakeholders to move them into the same general direction”.

Our use of Stakeholder Theory in this study does not refer to its normative approach, also referred to as the moral understanding or the principle of fairness (e.g. [12]). As such, SRA as used in this context does not imply that all stakeholders should be equally involved in BPI initiatives [13]. In this study, Instead, Stakeholder Theory is used in its instrumental version to associate it with BPI. The instrumental version of Stakeholder Theory hypothesizes that managers who adopt stakeholder principles will perform better than those who do not. Many successful organisations such as Wal-Mart, Hewlett Packard, and Dayton Hudson exemplify the benefits from this approach [13]. Similarly, BPI is known as an area that introduces change, and interacts with a large number of stakeholder groups, thus impacting their daily operations. If not managed properly, a BPI project may produce fear, ambiguity, rejection, confusion, scepticism, and resistance. Therefore, Stakeholder Theory offers guidance, in the context of BPI, for dealing with a variety of key stakeholder groups. SRA is a factor that is may be impacted by factors such as stakeholders’ identification, stakeholders’ network centrality and effective communication. Based on this theoretical underpinning, we argue that: Prop.1: the higher the level of Key Stakeholders Requirements’ Alignment, the Higher the Level of Business Process Improvement achieved.

2.2. BPI Organisational Capabilities (BOC) and HLI.

Capabilities are defined as accumulated knowledge in organisations resulting from using its existing resources in an efficient and effective manner so as to achieve its final goals [14]. Spanos et al. [15] specifically refer to capabilities as “the dynamic, nonfinite, firm specific, and path dependent processes that are not obtainable in the market place,
are difficult to copy, and are accumulated through long term, continuous learning” [15, p.31]. Examples of capabilities include production flexibility with short production cycles, innovation ability, responsiveness to market trends, and outstanding reliable customer service [16]. Capabilities are divided into four main categories: functional differential, positional differential, cultural differential, and regulatory differential [17]. Capabilities develop from existing skills and experience (functional), as preferences of previous actions (positional), as a result of the perceptions of the individual organisational stakeholder group (cultural), or from organisational policies and regulations (regulatory) [18]. Applying this understanding to the BPI context, organisational capabilities can be differentiated based on their supportive culture for BPI, existence of regulations for process change, and previous experience in conducting BPI projects. Together, these capabilities provide process improvements that afford competitive advantage. As such we use the term BPI Organisational Capabilities (BOC), and rely on the definition of Grant [24] to describe it in this research as “the ability of the organisation to perform repeatedly a business process improvement task”. In this study the focus is on Organisational Capabilities as a whole, seen from an abstract level. Therefore, focusing on the specific level of maturity of the business process capabilities as noted by Rosemann and de Bruin [32] is outside the scope of this research.

Furthermore, BPI literature shares a number of common standpoints with the organisational capabilities literature. The first commonality is embedded in the belief that capabilities of the organisation are unique and limited, thus, organisations tend to use their know-how processes in the most cost-effective way to improve their performance (i.e. increasing revenues and decreasing expenses). Functioning on optimum levels also leads organisations to create competitive advantage. Organisational competitive advantage must be continuously revisited to remain sustainable. Therefore, sustaining competitive advantage requires continual improvements to constantly differentiate from competitors [19] [20]. Barney [21] argues that the more the organisation can maintain sustained competitive advantage (SCA) the more it can enjoy abnormal rents or above average returns. SCA exists when capabilities are able to produce value, are rare, are imperfectly imitable, and are exploitable by the organisation [21] [22] [23]. Therefore, organisational capabilities literature through its distinctive emphasis on capabilities to obtain a competitive advantage is tightly related to BPI, which considers related capabilities as enablers of the improvement. Accordingly, we propose that: Prop.2: Obtaining high levels of specific BPI Organisational Capabilities positively aids in the attainment of Higher Levels of Business Process Improvement.

3. Methodology

Idiographic rather than nomothetic research strategies are encouraged in the IS area [25]. Idiographic methods study the phenomena in their context by focusing on a single entity or event, as opposed to nomothetic research that “seek[s] general laws and draw[s] solely on procedures used in the exact sciences” [26, p.369]. The case study method becomes an important strategy in this context as it offers the ability to: (a) study the unit of analysis in its natural setting and allows the development of theories from practice; (b) understand the nature and complexity of the processes in place; and (c) focus on areas where insufficient study has been carried out [26]. As a result, the case study approach was deemed suitable in this instance. To draw on the experiences of participants, the unit of analysis in this study is a completed BPI project in an Australian retail organisation.

4. Retail case study

A large for-profit organisation in the Retail industry was approached and it agreed eagerly to participate. The Retail industry was selected because of its dynamic nature and business process requirements. Due to its highly competitive nature, organisations in this sector do not change core business processes unless they are convinced there is a clear net benefit to the business deriving from such a change.

4.1. The company

The targeted retail organisation operates in the Australian and New Zealand markets with intentions to expand into the Asia-Pacific. The company was originally established in 1974 as a mail-order business and was publicly listed in 2004. Since then, it has achieved substantial levels of growth through increasing its level of sales revenue and conducting a number of successful acquisitions of smaller entities across Australia. A quick comparison between the company’s 2004 to 2008 records shows that the company increased its core operated brands from one to three, the number of stores from 183 to 310, and the number of employees from approximately 3,000 to 4,700 in Australia and New Zealand. The 2008
The ambitious and rapid expansion of this company was restricted by its less-advanced backstage business processes. As a result, the organisation increasingly encountered difficulties in managing its internal business processes and keeping control over its operations. The variation in the way the recruitment process was performed across its three different brands (explained next) is a clear example of this situation. The organisation also struggled with strong cultural opposition from its second brand, which was acquired in 2005. With a third brand acquired in 2008, the company anticipated that the problem would get worse and would adversely impact its current operations and future expansion plans. As a result, since 2006, the organisation has turned to formally and systematically documenting, mapping, analysing, and improving its internal business processes. The company has also established the role of a Business Process Manager, who receives direct support from top executives, primarily the Director Manager and the CFO. The assigned Business Process Manager has been with the company for 18 years and has experience across various company areas and levels. Therefore, the selected organisation provides a suitable site for gathering rich preliminary qualitative data on the 3 main research factors under analysis.

4.2. The BPI project

The organisation under investigation has grown rapidly to over 300 stores across three different core brands. Each of these brands was performing a number of administrative tasks in a different manner, including the recruitment process that is the main focus of this case study. As one participant described it: “we’ve now grown to own 3 brands, and as time has gone on each one of those brands has to a degree done a different thing in a lot of areas including recruitment and we are trying to align that”. The recruitment process was of particular importance to the organisation due to the large number of junior staff the company continuously recruits. At the time, the recruitment process, and the reference checking process in particular, was conducted inconsistently across brands. In the first brand the recruitment process was the duty of the recruitment team within the HR department in Head-Office. The recruitment process and the reference check in the second brand were, however, conducted by the individual store managers. The third brand’s recruitment process was excluded from analysis as it was recently acquired.

The second-brand was added to the organisations’ portfolio in 2005.

Project documentation and anecdotal staff clarifications uncovered that the BPI project targeted six key areas for improvement. These areas can be summarized as follows: (1) ineffective communication between stores and Head-Office, together with a difference in understanding of the recruitment process across the different store managers; (2) existence of multiple ways to perform the recruitment process causing great inefficiencies; (3) ability of store managers of the second brand to bypass the process (e.g., not performing accurate reference check) without being detected resulting in the employment of incompetent staff; (4) loss of good applicants due to excessive time taken to report on application results; (5) inability of the current system to identify and select the best applicants thus allowing for the acceptance of some incompetent applicants; and (6) privacy related risks associated with the process allowing store managers to access details of employees from all stores. The project manager described it as: “the objective in this particular initiative is to streamline processes, not only to get a generic approach across all brands but to give us the opportunity to expand further and having a key team performing this particular role”. The plan was to (1) introduce an efficient mechanism that is capable of identifying the good applicants in a timely manner and in accordance with the internal corporate governance guidelines; (2) introduce the solution improvement across the organisation’s two main brands, with the intention to extend the new process to the third brand in the future; and (3) introduce appropriate information systems to aid the overall process. Senior managers and executives made the decision to centralize the recruitment process by handing it to the recruitment team in Head-Office. To facilitate and manage these improvements, the CFO sponsored and participated in most of the project committee meetings.

4.3. Data collection and coding

Our case study relied on semi-structured interview data as a main source of empirical evidence, in addition to other secondary sources, such as financial statements, marketing material, internal project management PowerPoint slides, informal conversations, phone/email communication, and examination of physical artefacts. The interviews were guided by a case study protocol that was composed of a mix of open and closed-ended questions, as suggested by Yin [27]. Questioning regarding each of the factors of interest was preceded and followed by an open-ended question to capture
the respondent’s understanding of research topic. A total of five one-on-one interviews were conducted between December 2008 and January 2009. All interviews were conducted face-to-face, and were audio recorded, transcribed, and coded. In addition, a research description was sent to each interviewee two weeks before the interview date. Interviewees were also briefed on the research topic prior to the commencement of the interview. The interviews lasted between 23 and 59 minutes, for a total length of 3.5 hours and transcribed on 64 pages. Details of the interviewees are presented in Table 1.

<table>
<thead>
<tr>
<th>Participant Code</th>
<th>Org Years with</th>
<th>Position</th>
<th>BPI Exp (year)</th>
<th>BPI Exp (projects)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.1</td>
<td>18</td>
<td>BPI Manager</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>R.2</td>
<td>2</td>
<td>People Coordinator</td>
<td>0.3</td>
<td>1</td>
</tr>
<tr>
<td>R.3</td>
<td>1</td>
<td>Recruitment Manager</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>R.4</td>
<td>10</td>
<td>Project Manager</td>
<td>4</td>
<td>25+</td>
</tr>
<tr>
<td>R.5</td>
<td>3</td>
<td>CFO</td>
<td>10</td>
<td>12</td>
</tr>
</tbody>
</table>

The first manual round of coding aimed mainly at gaining deep insights into the rich content of the transcripts and identification of main themes. The application-aided round of coding involved coding the five transcripts using NVivo1 to search for measurement indicators (round 2) and relationships (round 3). The aim of the coding rounds was to answer RQ2 and RQ3. The measures’ coding was performed first at a high level by using three main NVivo nodes representing the research constructs. Transcripts were methodically searched for relevant passages and assigned to their respective nodes. Once finished, references in each node were then sub-categorized into second-level nodes within the initial three nodes. These second-level nodes were considered as measures of the higher level nodes (research constructs). For instance, after collecting all the alignment-related references under a node called Key Stakeholders Requirements’ Alignment, the references were further categorized into potential measurement indicators such as Requirements Fit (5, 16)+ and Key Stakeholders’ Buy-In (4, 8). In this case, Requirements Fit was referred to by all five interviewees whereas the second measure, Key Stakeholders’ Buy-In (4, 8), was only mentioned by four participants. In addition, Requirements’ Fit was mentioned twice as much (16 times vs. 8 times) as Key Stakeholders’ Buy-In. We were able then to rank these measures according to their perceived importance reflected by their frequency of appearance across the transcripts. In this study, indicators were ranked first by the number of participants that mentioned them, and then by the number of times the relevant participants referred to the indicators. A final coding round was performed with NVivo to search for potential evidence of relationships. Relationships’ coding targeted statements that clearly associated two factors simultaneously. An additional step was then added to compare the results at a high level between the manual and computer-aided steps. No major differences were identified. All themes identified in the manual process were represented in the NVivo-aided coding. Quantifying the evidence, as done in the second and third rounds of analysis, would have been extremely difficult without the use of the qualitative application. Finally, the last step in

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1 NVivo is a qualitative data analysis (QDA) computer software package. It has been designed for qualitative researchers working with very rich text-based and/or multimedia information, where deep levels of analysis on large volumes of data are required.

2 Attached to each indicator were two different numbers in parentheses. The first number represents the number of interviewees mentioning the measurement indicator, and the second number refers to the total number of references collected for the specific measurement indicator.
checking the content validity and reliability of the findings was by sending the case study report to the interviewees to comment on the findings. No major feedback comments received from the participants.

5. Findings

The measures and relationship findings are discussed in the next two sections. These sections are followed by a discussion of related implications.

5.1. Measures coding

To differentiate important measures from less important ones, a cut-off criterion was needed. As this qualitative coding procedure is novel, no previous accepted cut-off criterion could be found. As such, we use the 0.8 level – i.e. if a measure is mentioned by 80% of the interviewees (in this case, at least 4 of 5) then it is an indication of the measure’s importance for this particular case. Using a higher cut-off criterion may eliminate measures that may deem potential in subsequent quantitative stages, whereas setting it too low may create a large item pool that would make the comparison process difficult in a cross-case analysis.

5.1.1. Higher Levels of Improvement. There was a clear agreement among participants of what improvement meant for this particular project. The potential list of measures of HLI included eight measurement indicators (Table 2).

The results mean that in addition to aiming for a more efficient, consistent, effective, and better quality process the project also targeted the standardization of the process across brands, while simultaneously conducting continuous processes improvement, documenting their processes, and maintaining compliance with the organisation’s policies.

<table>
<thead>
<tr>
<th>Measurement Indicators</th>
<th>People</th>
<th>Refs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consistency</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Users’ Satisfaction</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Effectiveness</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quality</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Continuous Improvement</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Process Documentation</td>
<td></td>
<td></td>
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<tr>
<td>Compliance</td>
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</tbody>
</table>

5.1.2. Key Stakeholders Requirements’ Alignment. In general, the most discussed indicator of alignment was Requirements’ Fit (Table 3). Thus, the level of Fit among requirements was perceived as a strong proxy for alignment (similar to that in [8]). Other important indicators of alignment meant that the level of key stakeholders’ unity and agreement over what needs to be done, as well as their level of project buy-in, satisfaction, and the way expectations were managed reflect the level of alignment. Expectation Management referred to the process of identifying, documenting, and communicating key stakeholders’ expectations of the project.

<table>
<thead>
<tr>
<th>Measurement Indicators</th>
<th>People</th>
<th>Refs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requirements Fit</td>
<td></td>
<td></td>
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<tr>
<td>Key Stakeholders’ Cohesion</td>
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<tr>
<td>Key Stakeholders’ Buy-In</td>
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<tr>
<td>Key Stakeholders’ Satisfaction</td>
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<tr>
<td>Expectations Management</td>
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</tr>
</tbody>
</table>

5.1.3. BPI Organisational Capabilities. Although, a long and comprehensive list of BPI Organisational Capabilities was captured none of the indicators was
mentioned by all five interviewees. This finding reflects a lack of agreement in what BPI Organisational Capabilities could be (Table 4). Nevertheless, the most important BOC measures were found to be: having a supportive change environment, ability to allocate and manage resources effectively, and highlight the project need to all key stakeholder groups. R.5 commented: “So today I would say great because it’s only just been recently done, it’s fresh in people’s mind, it hasn’t been a turnover, I know where to find everything ... it’s all good. Moving forward we have to make sure that we keep that in place”.

<table>
<thead>
<tr>
<th>Table 4. Measurement indicators of BOC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Measurement Indicators</td>
</tr>
<tr>
<td>-----------------------</td>
</tr>
<tr>
<td><strong>More Important (# of People &gt;= 80%)</strong></td>
</tr>
<tr>
<td>Supportive Org Environment</td>
</tr>
<tr>
<td>Effective Resources Mgmt</td>
</tr>
<tr>
<td>Establish Clear Project Need</td>
</tr>
<tr>
<td><strong>Less Important (# of People &lt; 80%)</strong></td>
</tr>
<tr>
<td>Consistency</td>
</tr>
<tr>
<td>Streamlined Processes</td>
</tr>
<tr>
<td>Process Documentation</td>
</tr>
<tr>
<td>Degree of Centralization</td>
</tr>
</tbody>
</table>

5.2. Relationships coding

Relationships coding is a process of identifying passages reflecting a possible relationship between two or more research constructs. The aim is not to provide statistical evidence, as neither the number of interviews nor the process is suitable to do so, but to qualitatively investigate and gain insight into the existence of potential relationships among the constructs. With relationships’ coding, fewer numbers of references (then those in Measures Coding) were obtained. The qualitative results are displayed in Figure 2. On top of the two proposed associations, evidence of two new relationships (drawn as dotted arrows in Figure 2) was identified, viz. BOC on SRA and HLI on SRA.

5.2.1. Prop.1: SRA on HLI. With 45 collected references, this relationship was the most noteworthy. Therefore, this preliminary finding indicates a potential relationship between these research constructs. This perception might be the result of the lack-of-alignment found among the requirements of staff from the three recently-merged brands. Looking at the measurement indicators making up the Alignment factor might be a way to identify strategies on how to improve the level of alignment to achieve better results (e.g. improve key stakeholders’ early buy-in). R.5 said “We ask: Has it been the expected improvement? Are we maintaining the level that we should be? So these are our initial measures, and that would give us a sense of whether we’re achieving our objectives, if we weren’t aligned those, timetables will start to slip”. Whereas R4 stated: “If I could’ve broken down those barriers a little bit sooner it would’ve streamlined the particular project and allowed us to move forward at quicker rate, then what we actually did, you know it sort of blew our project timelines”.

5.2.2. Not-proposed: HLI on SRA. HLI was also found to associate with SRA, with 17 references. This finding suggests that alignment among participants’ requirements would improve if key stakeholders are fed-back with some initial improvement results while the improvement project is in progress. R.5 states this recommendation as following: “Once that feeds back into a project scope then naturally people will buy-in a lot better. So that’s generally the approach that we take to ensure that the stakeholders interests are aligned”. A better degree of alignment then assists in achieving HLI (as seen in section 5.2.1), which then further improves the degree of alignment. Thus, the relationship between SRA and HLI needs to be cyclical (as opposed to linear) and continuous. This finding reflects the complexity of the SRA notion.

5.2.3. Prop.2: BOC on HLI. Overall, less importance was given to the role of developing BOC than to achieving better degrees of KSRA. This finding might be due to the following reasons. First, there might be possible confusion between resources and capabilities. The organisation is prosperous and the BPI team was empowered by the organisational executives providing them with all resources needed. Thus, no systems, funds, or personnel were scarce during the process. Second, despite its size, the organisation had limited experience in conducting
BPI initiatives. As such, the organisation was less aware of the specific type of capabilities that could be developed to aid the BPI process. For instance, R1 commented: “I have reserves about sustaining it because at the moment we are trying to get a proposal across the line to create sustainability I know that generally that is accepted that we need to do something in that area, but we just need sort of determine how that works so it is a workable model within the organisation, so until that’s in place I am concerned about the results”. As a result, the organisation anticipated at times that its major obstacles were its staff members understanding and commitment to the BPI initiative and not the available or needed capabilities required and used. R4 said: “Change management with our staff is a major issue, or not an issue is a hurdle that’s disallowing us from achieving our goals”.

5.2.4. Not-proposed: BOC on SRA. This final association was not proposed earlier as the main focus was on identifying factors that lead to achieving HLI. Nevertheless, we found that BOC were used to achieve SRA rather than directly impacting on HLI. This finding further enforces the understanding that the organisation put all of its efforts into merging key stakeholders from the three different brands to be able to implement organisation-wide business processes. R.4 for instance highlighted the lack of particular abilities that could have assisted in achieving Alignment by noting: “If I could’ve broken down those barriers a little bit sooner it would’ve streamlined the particular project and allowed us to move forward at quicker rate, then what we actually did”. This quote also reflects the adverse effect of misalignment on the achievement of business process improvement. Whereas R2 noted: “PR coaches are basically the face of HR throughout the stores, we had a meeting with those guys last week, and a few things came up in the recruitment process that they’re all doing differently as well, so part of this process is for us to streamline that a little bit to work out different roles in the organisation and what those particular roles do”. Thus, establishing clear roles’ definitions aids the alignment process.

6. Observations and implications

The case study presented deep insights into a major Australian retailer in its attempt to carry out Business Process Improvement (BPI). Thus, the results provide an organisational experience that can be noteworthy in our objective to answer the research question in identifying the factors that contribute to higher levels of business process improvement outcomes, as well as answer its two sub-questions. An implication of this study is based on the finding that the organisational focus on social and organisational factors varies greatly. In this case the retail organisation’s key stakeholders had no organisation-wide consensus for the need of the process improvement. As such, their struggles were mainly socially-oriented. The causes of the social-issues, however, were mainly of an organisational nature. In this case it was the lack of capabilities to illustrate the project significance and address the different key stakeholders groups’ needs and concerns. This tailoring process would have improved the level of key stakeholders’ buy-in (to improve alignment) and would have amalgamated the social and organisational factors to achieve a common goal. Thus, it appears that light needs to be shed on the way social and organisational factors are intertwined and investigate their combined effect on helping organisations achieve HLI.

On another note, references were found that relate HLI to SRA. SRA is found to be hard to achieve as one of the participants stated: “At times it is very difficult to get all elements of a solution across the line, at best, we may have agreement on 8 of the 10 elements”. Results indicate that to achieve better alignment, some key stakeholders would need to be encouraged, as opposed to pushed, by benefiting from some early improvement results. This finding is of particular importance at the operational level where the project objectives are less clear. The role of aligning by improvement would also assist in the issue of spreading the alignment across the levels of the organisation as noted by R.5 (CFO): “I think if there’s a greater recognition at an operational level, of the impact on their role of inefficient process”. As such, findings show that aligning key stakeholders requirements is critical, yet requires continuous revisiting and management. This finding encourages the division of projects into smaller phases. Maintaining a high level of alignment means the need to have a number of checkpoints where the opinions of key stakeholder groups’ representatives can be obtained at different time intervals. The project team should assess new requirements, revaluate then proceed. It is these checkpoints that seem important to provide key stakeholder groups with preliminary successful results to maintain their alignment.

Also, the organisation under analysis is well-resourced. A strong executive support meant a range of pre-approved resources were already available for the project committee. Resources availability however was not their ticket to success. The real issue was in the absence of a clear focus on the need to establish BPI specific organisational capabilities. As such, the organisation was reported (1) to lack the ability to effectively turn resources into capabilities
and (2) tweak general organisational capabilities into more specific BPI oriented ones. This finding is also evidenced by the lack of measurement indicators mentioned by all five interviewees, a fact that reflects the lack of awareness and clarity of what specific organisational capabilities were needed. Interviewees also demonstrated their need to know how to do and where to start in developing specific organisational capabilities. R.4 said: “So it’s about one-on-one sort of training with our management team and up-skilling them, the challenge with that is how do you maintain that?” As such, organisationally enforced up-skilling processes to staff was an existing related issues is a BPI oriented organisational capability that is needed to achieve business process improvement. Assisting organisations to answer these questions leads to the achievement of HLI.

7. Conclusions

This paper presented a case study of a retail organisation. The case study was conducted to gain insights into how to achieve higher levels of improvement in BPI initiatives. Two different theoretical (social and organisational) lenses were used to uncover which factors could lead to obtaining higher levels of business process improvement. We found that issues that hindered this organisation from achieving its objectives were mainly of a social nature, not of an organisational one. Although executives were dedicated to make the organisation more business process aware, a number of key stakeholders resisted the adoption of this vision. Evidence shows that both Key Stakeholders Requirements’ Alignment and BPI Organisational Capabilities were potential factors with which the organisation struggled (i.e. answering RQ1). First, with Alignment, the main problem was to achieve an agreement that was suitable to all key stakeholders at the beginning of the project. It was found that this organisation aspired to realize mechanisms that assisted in rapidly and smoothly bringing different key stakeholders to an agreement. These social-oriented issues worsened throughout the project, as such a range of issues were encountered including low buy-in into the new initiative. Interviewees’ responses however showed that Alignment could have been improved by special organisational capabilities and preliminary improvement results. Second, with organisational capabilities the organisation aspired to convert available capabilities into BPI oriented capabilities that could direct impact on the project results. The organisation also aspired to identify and develop essential capabilities for future projects. Both SRA and BOC assisted in gaining insights on how to achieve HLI.

Furthermore, identified, grouped, and sorted qualitative data from the case study also assisted in the answering RQ2 and RQ3. RQ2 deals with the identification of measurement indicators for each of the research constructs under analysis. RQ3 focuses on the identification of relationships among these constructs. A number of measurement indicators were collected for RQ2 and four total relationships were highlighted and analysed, together with their implications for RQ3.

Finally, there are limitations in this work. The first limitation is in the selection of theories. While the selected theories are the result of an in-depth analysis of organisational theories related to BPI, selecting other relevant organisational theories may project different research constructs. This limitation further suggests the use of other well-established theoretical understandings can be used to provide further insights into what achieves higher levels of improvement. Second, findings presented are the results of a single case study, as such no major generalizations can be made. This limitation would be minimized with future research comparing the results of other case studies and then quantitatively testing their findings via a survey. Third, the coding process was carried out by the first author. This limitation is however minimized by having a coding guideline that was agreed on by all authors, having the results checked by the other authors and the interviewees, and also the conduct of different manual and NVivo-aided coding with a time interval between each two rounds of coding. Future research would involve the conduct of more case studies in other organisations to conduct cross-case analysis [28]. Future research can also involve organisations from different sizes, industries and organisations with different internal vs. internal/external key stakeholders. Measurement indicators will be collected in a centralized repository to turn them later into survey items and use them quantitatively.

8. References


http://abs.gov.au/ausstats/abs@.nsf/Products/887AE578DE


