



Business process management and IT management: The missing integration



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ABSTRACT

The importance of business processes and the centrality of IT to contemporary organizations' performance calls for a specific focus on business process management and IT management. Despite the wide scope of business process management covering both business and IT domains, and the profound impact of IT on process innovations, the association between business process management and IT management is under-explored. Drawing on a literature analysis of the capabilities of business process and IT governance frameworks and findings from a case study, we propose the need for horizontal integration between the two management functions to enable strategic and operational business–IT alignment. We further argue that the role of IT in an organization influences the direction of integration between the two functions and thus the choice of integration mechanisms. Using case study findings, we propose that IT as a business enabler respectively calls for sequential and reciprocal integrations at strategic and operational planning levels. Drawing on logical reasoning, we suggest that IT as a strategic driver necessitates reciprocal integration at both levels.

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1. Introduction

Information technology (IT) offers a wide range of opportunities to organizations for automating, informing, and transforming their business. Promoted by the increasing centrality of IT to business performance, a rich body of literature has centered on management practices that affect the quality and range of IT's impacts. Among these practices, IT governance (ITG) aims at enabling effective use of IT by coordinating IT decision making across business and IT communities (De Haes & Van Grembergen, 2009; Peterson, 2004). While such governance mechanisms only facilitate coordination between business and IT decisions, a different element – business processes – ties the business and IT worlds together (Harmon, 2010). Business processes link business strategy to an organization's IT capabilities. Davenport (1993) acknowledges that process enforcement technologies hold the potential to provide the so-called “missing-middle” to overcome the business–IT divide. The importance of business processes in contemporary organizations has also given rise to business process management (BPM) as a management tech-

nique that ensures continuous optimization of an organization's business processes. Indeed, given the growing pervasiveness of IT-enabled business processes, BPM and IT management studies have been tightly integrated.

Numerous studies have recognized the interdependencies between IT systems and business processes (e.g., Smith & Fingar, 2003; Tarafdar & Gordon, 2007). On the one hand, IT implementations are one of the driving forces for business process reengineering in organizations (Irani, 2002). In addition to avoiding costs incurred by system customization, IT-driven approach toward BPM enables business process innovation in line with industry best practices and emerging IT trends (Smith & Fingar, 2003). On the other hand, comprehensive business process designs that reflect business requirements can be transformed into technical specifications to inform system selection, configuration, and integration (Lee, Siau, & Hong, 2003; Rosemann, 2010). In this way, process-driven IT management ensures alignment of IT decisions with business objectives. Because of these interdependencies, several studies have emphasized the need for IT roles involvement in BPM activities on the one hand, and process roles inclusion in IT decision making on the other (e.g., Doebeli, Fisher, Gapp, & Sanzogni, 2011; Hammer, 2004; Spanyi, 2010; Tarafdar & Gordon, 2007; Scheer & Brabänder, 2010; Weill & Ross, 2004).

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Table 1
Business process governance capabilities (De Bruin, 2009; Kirchmer, 2011; Santana, Alves, Santos, & Felix, 2011).

| Governance capabilities | Description | Example |
|-------------------------|---|--|
| Structure | Organizational structure for people involved in BPM activities and the scope of their tasks | BPM sponsor Head of BPM BPM steering committee BPM center of excellence Business process experts Process owner |
| Processes | Formalization and institutionalization of process-related decision making at various organizational levels and within and across business processes and process improvement projects, along with broader decision making about strategic direction and development of BPM | Process improvement planning Strategy and process capability linkage Process design Process implementation and execution Process control and measurement |

Table 2
IT governance capabilities (De Haes & Van Grembergen, 2009; Peterson, 2004; Weill & Ross, 2004).

| Governance capabilities | Description | Example |
|-------------------------|---|---|
| Structure | Organizational structure for people involved in IT management activities and their decision-making rights | IT strategy committee at board level IT steering committee IT project committee Architecture steering committee CIO on executive committee IT relationship managers IT security steering committee Center of competence and excellence |
| Processes | Formalization and institutionalization of IT decision making and IT monitoring procedures | Strategic information system planning IT chargeback system IT portfolio management IT performance measurement IT budget control and reporting IT benefits management |

However collaboration between BPM and IT management functions is not reflected in their governance frameworks. ITG frameworks are built around active involvement of business parties in IT decision making (e.g., De Haes & Van Grembergen, 2009; Peterson, 2004), but they overlook the role of BPM functions in making and monitoring IT decisions. This disconnect is also true for business process governance (BPG) frameworks. Although IT often influences and is influenced by business processes, BPG frameworks fail to specify the involvement of IT roles in BPM decision making. Failure to include process roles in IT decision making may lead to strategic misfits between business and IT (Smith & Fingar, 2003), loss of competitive advantages (Lee et al., 2003), and “technology fixation” (Scott, 1999). Disregarding IT roles in BPM decision making results in complex IT architecture (Fonstad & Robertson, 2006), and higher risk, complexity, and financial costs of IT implementations (Beatty & Williams, 2006).

In this study, we examine the integration of BPM and IT management functions and particularly how BPG and ITG, as two distinct governance frameworks, support the collaboration between the two management functions. Drawing on horizontal job specialization between BPM and IT management functions, complexity of their work, and great business process and IT system interdependencies, we expect close coordination and mutual adjustment between BPM and IT management functions. Therefore, we anticipate the need for alignment and interoperability of BPG and ITG frameworks. We examine these premises by asking and answering two questions: *Why* and *how* do BPM and IT management functions collaborate? We answer the first question by building linkages between the BPG and ITG literature to identify the shared responsibilities between BPM and IT management functions. We then empirically investigate such joint responsibilities and the governance mechanisms that enable integration via a case study of

a multinational corporation with relatively mature BPG and ITG structures and decision-making processes.

The remainder of the paper is organized as follows: In Section 2 we describe BPG and ITG based on a literature review, and in Section 3 our research methodology. Section 4 discusses our findings for the overlapping accountabilities within the BPG and ITG frameworks. Drawing on the case study, Section 5 provides evidence of the mechanisms that enable integration between BPM and IT management functions. In Section 6 we present a model to frame integration of the two functions. Sections 7 and 8 conclude with a discussion of findings, contributions, limitations, and potential extension of the research.

2. Theoretical background: defining BPG and ITG

Governance, which is the organization of management, comprises the set of goals, principles, organizational charts, policies, and rules that define or constrain what managers can do (Harmon, 2008). This section briefly describes BPG and ITG as the overarching guidelines for management of business processes and IT assets.

2.1. Business process governance

BPM is a structured management approach that uses methods, policies, metrics, management practices, and software tools to coordinate all aspects of the specification, design, implementation, operation, measurement, analysis, and optimization of business processes (Davis & Brabänder, 2007). As one of the six core elements critical to building BPM maturity (Rosemann & Vom Brocke, 2010), BPG is accountable for managing the BPM process (Kirchmer, 2011).

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