Business Process Management and Change Management

Analysing the human factor: people, change and governance

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Introduction

This paper examines the importance of change management in the context of business process management. The paper briefly defines "business process management", outlines the fundamental nature of change management, and then considers the reasons why change management is a major factor in the success of business process management projects.

The paper then provides a framework for the development of a change management strategy, with a particular emphasis on dealing with employees that have ownership over processes.

Business Process Management

Overview

Business Process Management (BPM) is an emerging field. BPM is where management and information technology meet, and it sets out methods, techniques and tools to allow the business to design, enact, control, and analyse its operational business processes.

These operational business processes are made up of people, organisations, applications, documents and other sources of information.
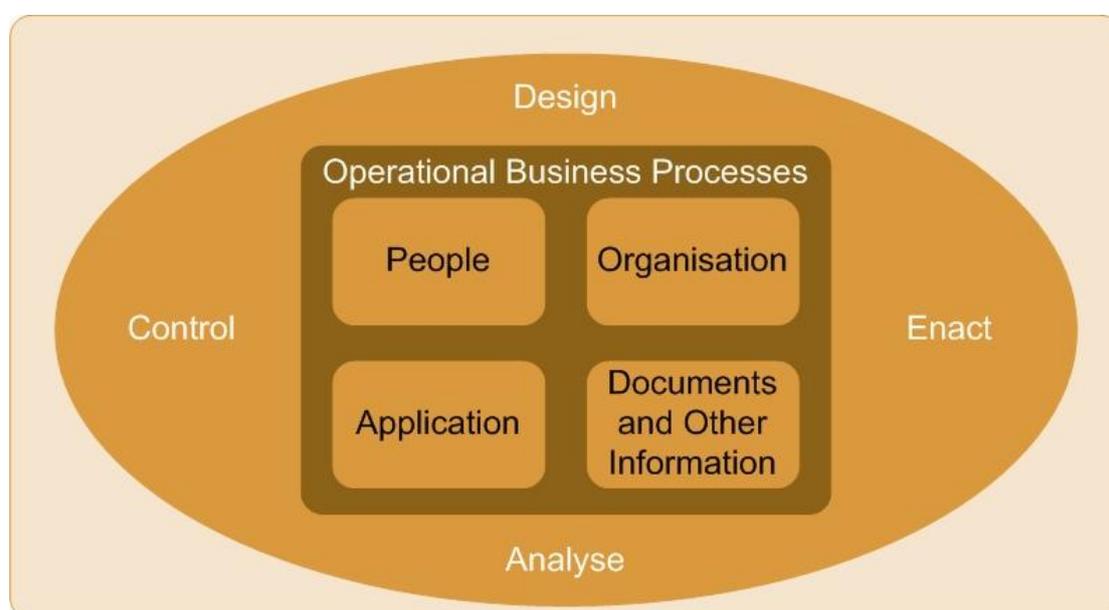

Figure 1: The Business Process Management Model

In overall terms, BPM includes within its scope the activities performed by organisations to manage and, if necessary, to improve their business processes. BPM is a management model that allows the business to manage their processes in the same way any other asset might be managed.

The model allows the business to improve and manage these processes over the period of time, which is perhaps a different way of thinking of business assets, but does recognise the inherent value inside business processes.

What Business Process Management is not

Figure 2: What Business Process Management is not

It is useful to consider, briefly, what business process management is not. The processes that occur within the scope of business process management are the repetitive, day to day, business processes that organisations perform.

The processes are not strategic decision-making processes, which top-level management carries out.

There are also key differences between 'Business Process Reengineering' and 'Business Process Management'. Unlike Business Process Reengineering, BPM does not aim for a single revolutionary change to business processes. BPM seeks a continuous evolution of the business processes and an ongoing development of the asset.

BPM usually combines management methods with information technology, whereas Business Process Reengineering tends to focus upon the achievement of measurable one-off 'savings' through the application of information technology.

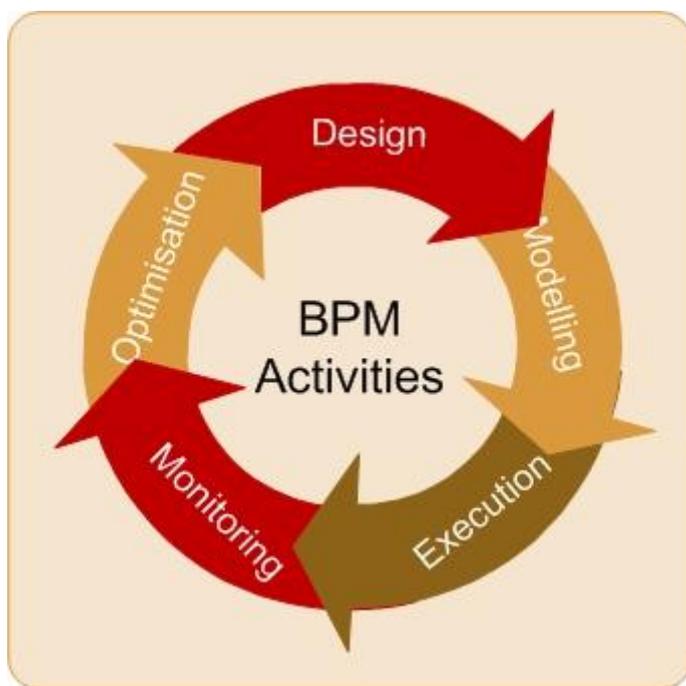## Five activities of business process management

Figure 3: The five phases of BPM Activities

Information technology is a strategic enabler of Business Process Management. The activities constituting BPM can be grouped into five life-cycle phases:

- Design
- Modelling
- Execution
- Monitoring
- Optimisation

These five categories can be reviewed prior to considering the impact of change management.

Activity	Description
Process Design	This activity captures existing processes and documents their design in terms of process maps, actors, alerts & notifications, escalations, standard operating procedures, service level agreements and task hand-over mechanisms. The new process is then designed to address the captured process and ensure that a correct and efficient design is prepared for modelling and continuing improvement and optimisation.
Process Modelling	Process Modelling takes the process design and introduces different cost, resource, and other constraint scenarios to determine how the process will operate under different circumstances. Process modelling models different scenarios that are relevant to the business.

Activity	Description
Process Execution	The full business process (as set out during the process design activity) is defined in a computer language that can be directly executed by the computer, either automatically or using business rules that require human input.
Process Monitoring	Process monitoring tracks individual processes so that information on their state can be easily seen and statistics on the performance of one or more processes can be recorded. Specialised Business Activity Monitoring software can be used to complement existing Business Process Management Software in this context.
Process Optimisation	This activity provides ongoing and cyclical optimisation of the process. It includes retrieving process performance information from and identifying potential cost savings or other improvements and then applying those enhancements in the design of the process.

Using this BPM approach, the business can deliver value from these process-based assets. Change management is of course a core part of realising this value from these assets.

Change Management

Overview

In a general context, change management requires an intimate understanding of the effect of the human factor in business projects. Change management requires a focus on the alignment of the company's culture, values, people, and behaviours to encourage the desired results.

Irrespective of the benefits theoretically obtainable, a change to a business process will not deliver value without change occurring at the level of the individual employee.

The rationale for change management

There is a phenomenon often referred to as the 'valley of despair' with change management – with change management, the change is hellish but manageable. Without a strong change management approach – outcomes can be poor to say the least.
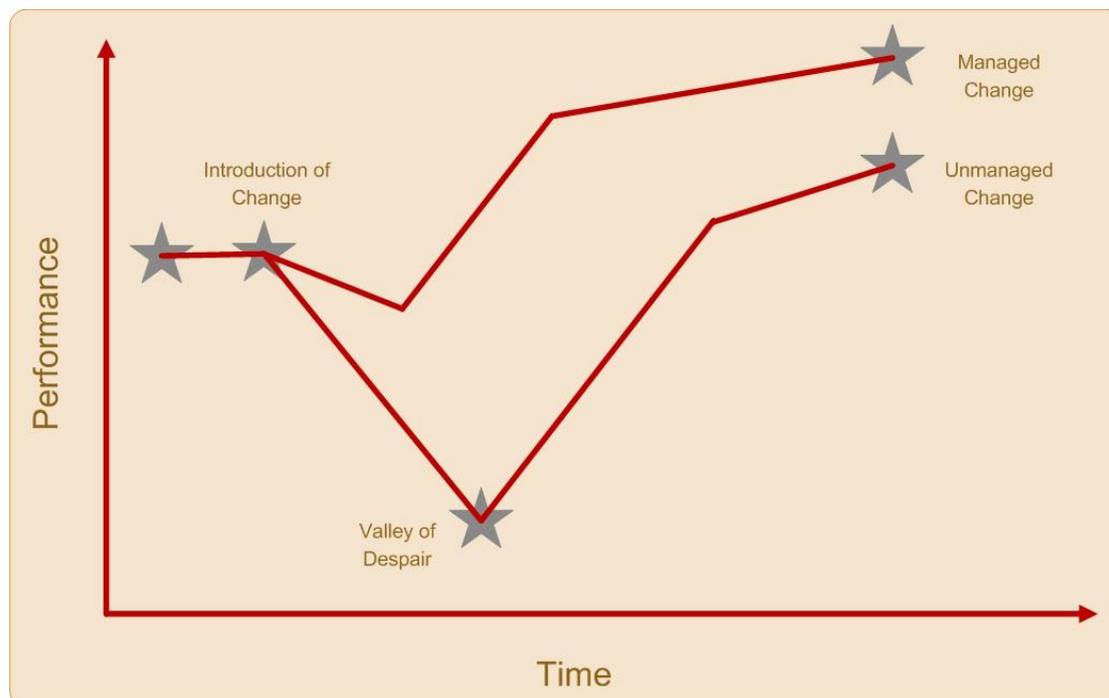

Figure 4: The 'Valley of Despair' in Change Management

The major impediment to the successful implementation of a business process change is frequently the poor change management approach adopted. Although the role of technology, process design, process modelling, and all other factors in the business process management field should not be de-emphasised, this is an intuitively true statement.
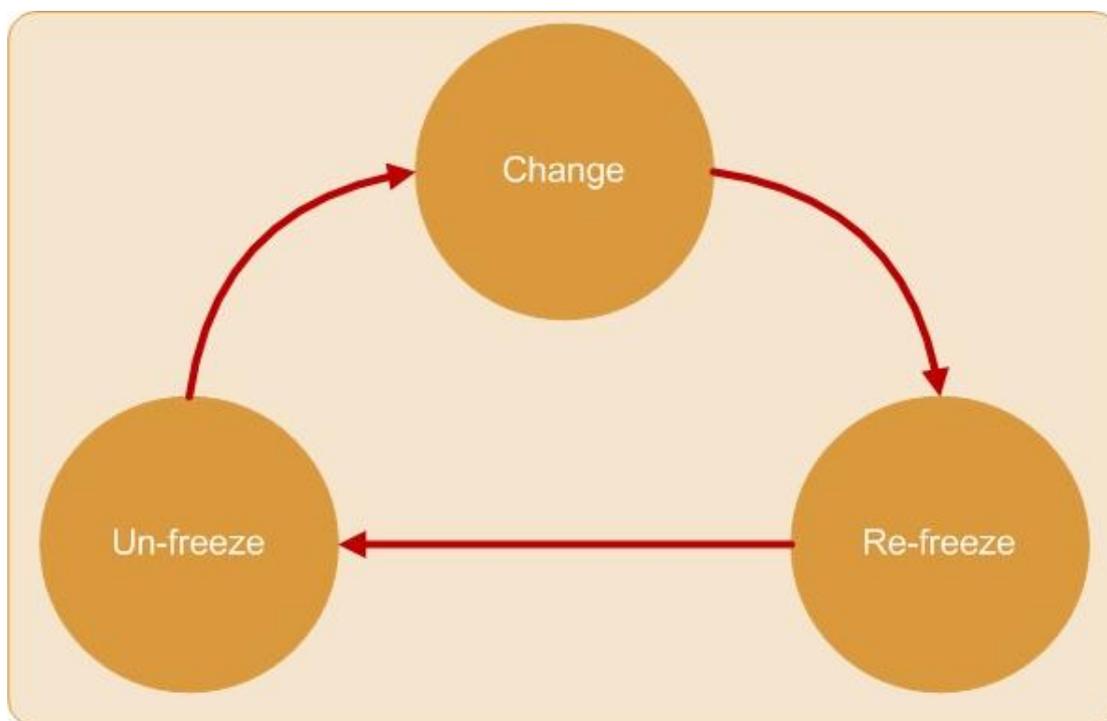
Change management in practice

Figure 5: Kurt Lewin's simple model of the change process

In some ways, issues such as these arise because businesses tend to adopt the 'just do it' philosophy. The fundamental model of change has of course been Kurt Lewin's model of business change whereby a business process is thawed, changed, and then re-frozen. This model has been presented to undergraduate business students since time immemorial, and to be fair there is little that is explicitly wrong with it.

However, in the way that it has been applied and in terms of our basic understanding, we tend to prefer to consider that the natural state of affairs is 'fixed' and immutable, and thus change efforts were directed at 'unfreezing' that which was frozen, moulding it to a rationally 'perfect' world, and then 're-freezing' the organisation into that new state.

Thus, change became 'something different from the norm'. Change was to be avoided. Change was an *un*natural state for a business to be in. Change would 'all be over' very soon, and if everyone followed the new rules and directions, the period of change would soon be complete and the world would return to 'normal'.

This is an autocratic view of the role of change. The top layer of management dictates the need for change to the (very many) layers of management below, and the change is then implemented.

Today, this view seems rather quaint, but, somewhat distressingly, this autocratic, 'change-by-fiat', approach is still used in some organisations. The point should be made that this can

be an appropriate approach for some organisations, but it clearly is not the case for all organisations.

Change is now the natural state of affairs and it would be unlikely that a business today can be regularly frozen, thawed and frozen again without losing flexibility and the ability to respond to the changing circumstances of the enterprise.

Change management and business process management

This is particularly the case in the context of business process management with its ongoing evolutionary changes. Life and business is today simply far too fast-paced for an autocratic and directive model to work. An organic and systemic response to the need for change is necessary to ensure effectiveness in most organisations of today, which is why BPM is more appropriate to today's business needs.

Individuals have complex reactions to change. Change also affects internal power structures. Change affects feelings of competency and capability. Substantive change requires personal re-invention. At its core, good change management calls for:

- An understanding of the organisation
- A comprehensive consideration of the implications of the change
- A particular concern for the implications of change for the individuals and groups in the organisation
- The need for a plan
- Systematic implementation of the change
- Whole-organisation change
- A problem-solving approach

It is recommended that an overall change management approach (including tactics) is built, and then link the BPM program of work to the change management tools that the approach has made available.

Core to the BPM strategy is the Program of Works. The program of works should set out short, sharp, and defined 'mini-projects', with project deliverables roughly defined into quarters. If a project deliverable cannot be met within a three-month timeframe, it should be broken into separate deliverables. There is a significant risk that an item of work on the BPM work program that takes longer than three months will never be completed.

With these principles in mind, it is useful to consider how to develop a change management approach in the context of Business Process Management.

Developing a change management approach

Principles of change management

The emphasis is on a rational and directive approach to change, which is in line with the Business Process Management approach. As a rule of thumb, clear and accurate communication is important for successful change management.

Trust and integrity will affect the success of the project – the relationships amongst stakeholders are important for the change to be taken up. There is also of course an underlying assumption that, in at least some way, the proposed change is positive. BPM, by focussing on a rational model for developing the case for change, assists with this.

Five key principles to recall with change management are that:

- Different people react differently to change
- Everyone has fundamental needs that have to be met
- Change often involves a loss, and people go through the "loss curve"[1]
- Expectations need to be managed realistically
- Fears have to be dealt with

Core tactics for strong change management include:

- Preparing for change as a continuous activity for managers and managed
- Genuine involvement in the process
- Communication and participation across internal boundaries
- The removal of undue restrictions on input to strategies and tactics
- The sharing of information
- Prioritising personal development and new skills acquisition

By its nature, BPM modifies many processes throughout the business in an evolutionary fashion. There are many different stakeholders and process owners affected. It is infeasible to attempt to identify a unique change management approach for all elements of the program of work.

Towards a BPM Change Management Approach

Good change management starts at the outset with the underlying business strategy. The change management strategy should be embedded into the business strategy, which simply

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[1] The "loss curve" refers to the personal feelings and the period of time it takes for an individual to adjust to a change. The classic acronym is 'SARAH' – Shock, Anger, Rejection, Acceptance, and Healing.

means that the business strategy must articulate the overall need for change and recognise in the broadest terms the organisational approach to change management.

The diagram below illustrates the approach used in this paper for formulating the change management approach.
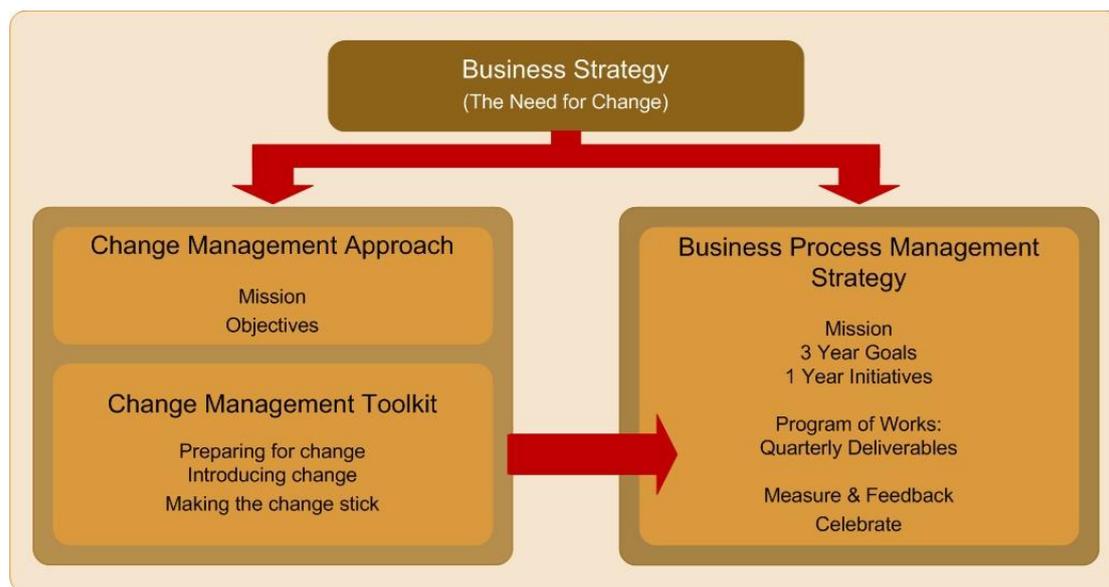

Figure 6: The BPM Change Management Approach

As part of the change management strategy, a formal recognition by the business of the expected approach to change management is required as a statement of business strategy. This articulation of the need for change is then used as the basis for developing an approach to change management.

Factors influencing the change management approach

There are several factors that influence the approach to change management selected by the business:

Factor	Description
Staff attributes	Abilities, talents, developmental requirements and capacity of staff
Organisational characteristics	Organisational structure, management style, approach to leadership, decision-making, and attitude to learning and development
User attributes	Independence and preferences of the users in dealing with business change and the workplace in general
Environmental characteristics	Economy, industry, legal environment, and the wider culture of the country.

These factors are inter-dependent with the change strategy and type of change to be adopted, as set out in the diagram below. These factors will affect the type of change management approach selected.
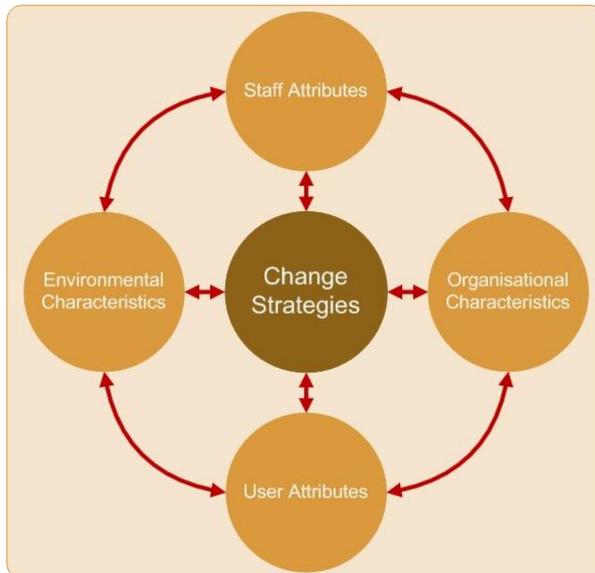

Figure 7: The factors that influence the change management strategy

The change management approach set out earlier shows three basic processes for change management:

- Preparing for change
- Introducing change
- Making the change stick

If the change is going to 'stick', then the hard effort that has to go into creating an environment in which the participants accept that change as a natural phenomenon is unavoidable.

Preparing for change

Figure 8: Getting the organisation ready for change

There are core activities identified for this process:

- Recognising the need for change
- Persuasion
- Catering for Multiple Expectations
- Creating Confidence
- Positive Senior Management Input from the Start
- Identifying Allies

Some specific tactics to adopt here include:

Tactic	Detailed Description
Burning platform *Expose or create a crisis*	▪ Show how staying where you are is not an option and that doing nothing will result in disaster. ▪ Look for a crisis that you can highlight. They are often lurking nearby, forlorn and unnoticed. ▪ You can also engineer your own crisis that forces change.

Tactic	Detailed Description
Challenge *Inspire them to achieve remarkable things*	▪ Stimulate people into change by challenging them to achieve something remarkable. Show confidence in their ability to get out of their comfort zone and do what has not been done before. ▪ This works particularly well with small groups, as well as individuals. Once the group has bought the challenge, then they will bounce off each other to make it happen. ▪ This is most effective when the people create their own stretch goals, so rather than telling them to do something, challenge them to achieve greatly, then, when they are fired up, ask them how far they can go.
Command *Just tell them to move!*	▪ Enforce change by telling people what to do and what is going to happen. ▪ Do not accept any input or objection from them. If they do object, punish them.
Evidence *Cold, hard data is difficult to ignore*	▪ Find evidence that supports the need for change. ▪ Use data and statistics to create impressive graphs and charts.
Destabilising *Shaking people of their comfort*	▪ Stimulate the need for change by creating instability that leads people to seek somewhere other than where they are at present.
Education *Learn them to change*	▪ Teach people about the need for change and how embracing change is a far more effective life strategy than staying where they are or resisting. ▪ Teach people the methods of change, about how to be logical and creative in improving processes and organisations.
Management by Objectives (MBO) *Tell people what to do, but not how*	▪ Set formal objectives for people that they will have to achieve, but do not tell them how they have to achieve this. ▪ In particular, if you can, give people objectives that they can only achieve by working in the intended change. ▪ Give them relatively free rein in how they go about achieving the objectives. Particularly if you want to encourage a change in behaviour or attitude, then you might encourage them to 'look outside the box' for creative new ways of achieving the objective.

Tactic	Detailed Description
Rites of passage *Hold a wake to help let go of the past*	▪ When a change is completed, celebrate with a party or some other ritualised recognition of the passing of a key milestone. ▪ You can also start a change with a wake to symbolise letting go of the past. ▪ Create new rituals to help shift the culture to a new form. Use these, if possible, to replace the rituals that already exist.
Setting goals *Give them a formal objective*	▪ Set the person a goal or formal objective that requires them to change. ▪ Goal-setting may be used incrementally, where you set the person a goal to do something that forces them to let go of some small thing. Then you set a further goal and then one further again. In this way, you are getting the person to walk by focusing on one step at a time.
Visioning *Done well, visions work to create change*	▪ Create a motivating vision of the future. ▪ Share it with others. ▪ Live it until it comes true.
Whole-system planning *Everyone planning together*	▪ Gather together the participants in a large room, where everyone can work together as equals.

With all stakeholders at least warming to the idea of change, it is time to put the change into practice.
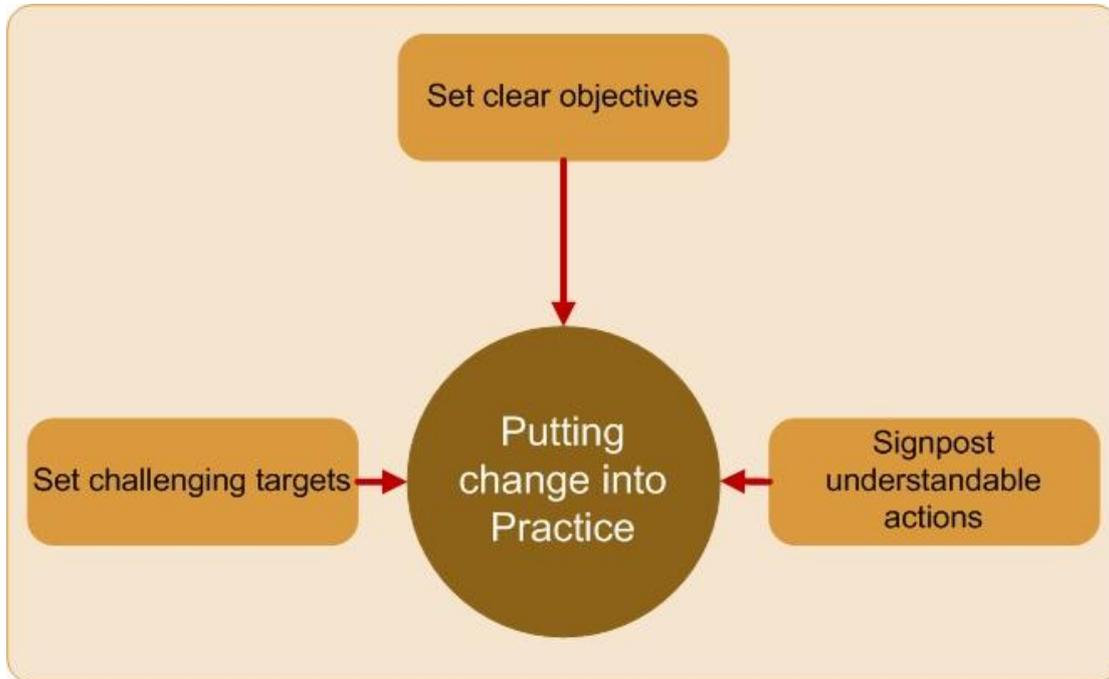
Introducing change

Figure 9: Introducing the change

The aim here is to clarify to all stakeholders the purpose of the change, to persuade people that the objectives of the change can be achieved by the proposal, and that the proposal will also include a challenge that will extend skills and knowledge of those involved in the implementation of change.

There are core activities identified for this process:

- Set clear objectives
- Signpost understandable actions
- Set challenging targets

Some tactics here include:

Tactic	Detailed Description
Challenge *Inspire them to achieve remarkable things*	▪ Stimulate people into change by challenging them to achieve something remarkable. Show confidence in their ability to get out of their comfort zone and do what has not been done before. ▪ This works particularly well with small groups, as well as individuals. Once the group has bought the challenge, then they will bounce off each other to make it happen. ▪ This is most effective when the people create their own stretch goals, so rather than telling them to do something, challenge them to achieve greatly, then, when they are fired up, ask them how far they can go.
Coaching *Psychological support for executives.*	▪ When you have individual people who are having difficulty in managing to adapt to change, then hire an executive coach to help them through this time.
Command *Tell them what to do.*	▪ Enforce change by telling people what to do and what is going to happen. ▪ Do not accept any input or objection from them. If they do object, punish them.
Education *Teach them, one step at a time.*	▪ Teach people about the need for change and how embracing change is a far more effective life strategy than staying where they are or resisting. ▪ Teach people the methods of change, about how to be logical and creative in improving processes and organisations.
Facilitation *Use a facilitator to guide team meetings.*	▪ Use skilled facilitators to support change activities (if you don't have any, either hire them in or train your own). ▪ Facilitators can be used to guide various group events, from brainstorming and planning to improvement projects and change activities. ▪ Facilitators can also act as team coaches, helping people to improve within themselves and work together in better ways.
First steps *Make it easy to get going*	▪ Make the first steps of change particularly easy. Make them the most obvious thing to do. Then make the next steps easy. ▪ Keep the people focused on the next steps. Before long, they will have climbed a mountain.
Involvement *Give them an important role.*	▪ Get them involved in the change. Invite them to participate in discussions. Give them things to do.

Tactic	Detailed Description
Management by Objectives (MBO) *Tell people what to do, but not how.*	▪ Set formal objectives for people that they will have to achieve, but do not tell them how they have to achieve this. ▪ In particular, if you can, give people objectives that they can only achieve by working in the intended change. ▪ Give them relatively free rein in how they go about achieving the objectives. Particularly if you want to encourage a change in behaviour or attitude, then you might encourage them to 'look outside the box' for creative new ways of achieving the objective.
Open Space *People talking about what concerns them*	▪ Gather up to several hundred people in a large, open space, such as a conference centre, to identify and recognise issues and the need for change.
Re-education *Train the people you have in new knowledge/skills*	▪ When making a change that requires different skills, provide education that ensures people have the skills and knowledge they need in their new jobs. ▪ For knowledge education, you can use computer-based courses as well as more traditional methods. A good way of ensuring that people have the required knowledge is to put them through some form of test at the end. ▪ For skill education, there is little substitute for actual practice, and education courses should included a significant practical element, for example with role-plays of the new situations. ▪ It is also a good idea to follow up education with assessment in the workplace and ongoing coaching and support until the people can 'stand on their own two feet'.
Shift-and-sync *Change a bit then pause and restabilise*	▪ Make a planned set of changes and then pause to make sure the whole system is still working. Fix small problems to ensure the whole show is still working together as one before setting off on the next change.
Spill and fill *Incremental movement to a new organisation*	▪ When you are starting up a new organisation and closing down an old organisation, do this in a tapered way, moving a few people over at a time. Be careful here with your best people: they both need to be involved in setting up the new organisation and also nursing the old organisation to its grave, ensuring a smooth handover. ▪ If you can, plan the change with phases of activities, proving each new part before you move people over to the next phase.

Tactic	Detailed Description
Stepwise change *Breaking things down into smaller packages.*	▪ Have clear steps in the change. Break the work into distinct packages and talk about each separately. Communicate about the change not as a single, monolithic entity, but as a set of activities, each of which gains specific value. ▪ When a step has been completed, tie up all the loose ends and celebrate the completion almost as if it were the end of the change. Then start the next step.
Whole-system Planning *Everyone planning together*	▪ Gather together the participants in a large room, where everyone can work together as equals.

The change then needs to be locked into the business.

Making the change stick

Figure 10: Making the changes stick

If the changes have been introduced and implemented, but the take-up by the affected stakeholders is not genuine due to poor change management, it is likely that the change will be unsuccessful. In extreme cases, businesses regularly revert to 'the old way' some months after the change.

To illustrate, a past client implemented a new and expensive software system, but from the perspective of the staff members, the change was imposed by fiat. One year after the implementation of the information system, many staff members still maintained separate Excel spreadsheets to record the information already recorded in the information system. Invariably, both systems disagreed – considerable effort was spent on two poor sources of information, rather than ensuring that at least one system was accurate.

Clearly the potential for duplicated effort and poor productivity benefits exists where change management is not handled well.

The core activities needed to ensure that the change becomes part of the organisation include:

- Dissemination of Information
- Empowerment and Self-Management in the change process
- Structural Change
- Attitude Change

Tactics here include:

Tactic	Detailed Description
Burning bridges *Ensure there is no way back*	- When you have made a change, ensure that there is no way back to previous ways of working.
Evidence stream *Show them time and again that the change is real*	- Get people to accept that a change is real by providing a steady stream of evidence to demonstrate that the change has happened and is successful. - Plan for change projects to reach milestones and deliver real results in a regular and predictable stream of communications that is delivered on a well-managed timetable. This is as opposed to the early 'big bang' followed by a long period of relative silence. - Communicate through a range of media. Get people who have been involved to stand up and tell their stories of challenge and overcoming adversity. Ensure the communications reach everyone involved, and do so multiple times. - Keep posters and data charts up to date. Regularly show progress, demonstrating either solid progress against plan or robust action to address any slippage.
Golden handcuffs *Put rewards in their middle-term future*	- When you want someone to stay with you who may be tempted to leave, make it worth their while to stay by putting significant benefits in their middle-term future.

Tactic	Detailed Description
Institutionalisation *Building change into the formal systems and structures*	▪ Make changes stick by building them into the formal fabric of the organisation, e.g. quality management system, strategic plan, staff reviews.
New challenge *Get them looking to the future*	▪ Get people to maintain interest in a change by giving them new challenges that stimulate them and keep them looking to the future.
Reward alignment *Align rewards with desired behaviours*	▪ When you make a change, ensure that you align the reward system with the changes that you want to happen.
Rites of passage *Use formal rituals to confirm change*	▪ When a change is completed, celebrate with a party or some other ritualised recognition of the passing of a key milestone. ▪ You can also start a change with a wake (which is a party that is held to celebrate the life of someone who has died) to symbolize letting go of the past. ▪ Create new rituals to help shift the culture to a new form. Use these, if possible, to replace the rituals that already exist.
Socialising *Build it into the social fabric*	▪ Seal changes by building them into the social structures. ▪ Give social leaders prominent positions in the change. When they feel ownership for it, they will talk about it and sell it to others. ▪ Create rituals, utilise artifacts and otherwise build it into the culture.

Conclusion

Recall that earlier it was stated that clear and accurate communication is important for successful change management. This implies a need to build integrity and trust, which will have implications for the specific tactics that will be adopted in implementing the changes required.
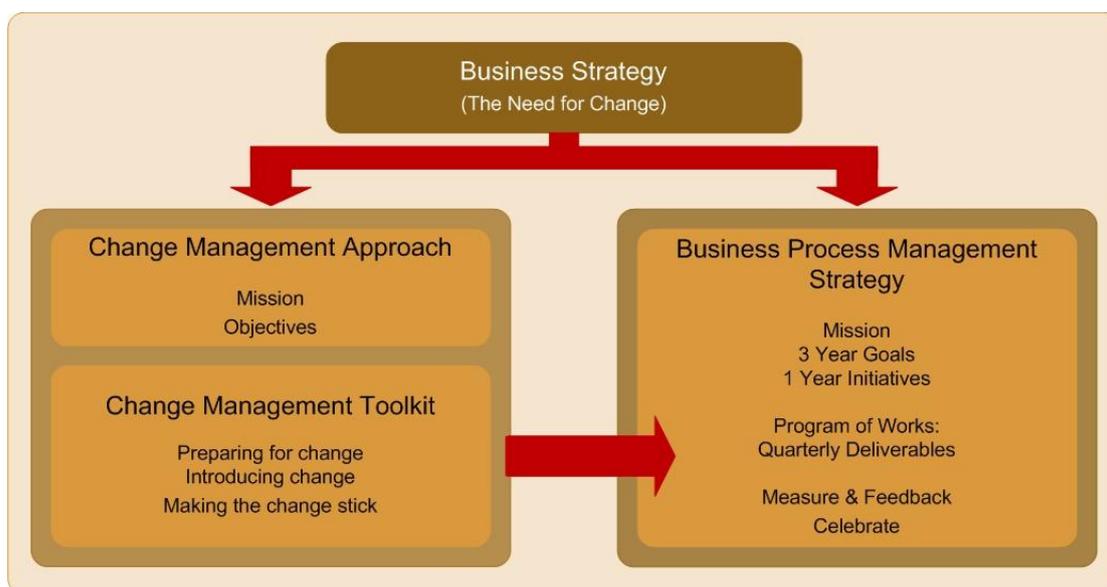

Figure 11: The BPM Change Management Approach

Essentially:

- Ensure that the need for change is strategically driven
- Outline the BPM strategy together with its program of works
- Develop a change management approach, and devise a toolkit to be used with the implementation of the program of works in accordance with three phases:
  - Preparing for change
  - Introducing change
  - Making the change 'stick'

There are many tactics that can be selected from the toolkit for each phase, and the actual tactics adopted will need to match the particular business, but if you have a framework from which to select, the likely success of your BPM project is increased.