Towards a Theoretical Framework of Business Process Management through the Lens of Absorptive Capacity and Cognitive Dissonance Theory

Abstract

Even after years of improving the methodologies for organizational change in general and business process management (‘BPM’) in particular, BPM programs are still often unsuccessful. We argue that this is not due to the deficiencies in methodologies or the lack of skills of people implementing them, but due to the lack of a deeper theory-based understanding of what each phase of the BPM implementation needs to achieve. We introduce a combination of cognitive dissonance and absorptive capacity theories to show how the resolution of cognitive dissonance should be used to increase the absorptive capacity. As a consequence, the organization has increased chances of BPM leading to financial benefits in the long run.

Keywords

Business process management, cognitive dissonance, absorptive capacity, long-term BPM benefits, organizational change.

Introduction

The need to constantly improve the way in which the organization conducts their business has become one of the most often mentioned management mantras in the recent decades. “The urge to change” often leads to the constant change of projects, organizational changes, new buzzwords and implementation of new information technologies (McCormack et al. 2009).

In the last decades, several methodological approaches for business process management (BPM) were proposed (ranging from Kettinger (1997) to Dumas et al. (2013) and vom Brocke et al. (2015)). Most of those methodologies focus on stages such as envision, modeling, analysis, redesign and implementation (Morais et al. 2014). However, many failed projects in BPM show that even strict compliance does not necessarily lead to desired results (vom Brocke et al. 2015). Practical experience shows that regardless of how good and refined the methodologies have been, how skillful the hired consultants and in-house
experts and how high the level of management commitment and support, BPM often does not bring the
desired results in the long run.

We argue that this happens due to the lack of a deeper theory-based understanding of what each phase of
the BPM implementation needs to achieve, not only in terms of “hard outcomes” but also in terms of the
changes in employees’ attitudes. Employee reaction to change has been categorized as one of the key
elements defining the change initiative’s potential for long term success (Oreg et al. 2011).

In this paper, we define a theoretical discussion for understanding the employees’ reaction to change
throughout a BPM initiative. We extend the current knowledge on the role of employees in determining
BPM initiative outcomes through a novel combination of two theories, namely cognitive dissonance and
absorptive capacity theory. We explain how the resolution of cognitive dissonance should be understood
within the BPM initiative framework and how absorptive capacity is required to enable successful BPM in
the long run.

The structure of this paper is as follows: first the research problem is discussed and the issues of the state-
of-the art research on the issue are analyzed. Second, the standard methodologies for BPM are analyzed.
Third, the proposed theoretical framework on combining cognitive dissonance and absorptive capacity
theory is defined. The conclusion with implications of this theoretical basis for future research completes
the paper.

Background

Organizational change has been defined as the process by which organizations move from their current
state to the desired state of increased effectiveness (Jones 2013). The importance of the employee reaction
to change has received increasing support in the past decade (Fugate et al. 2008; Oreg 2006). Such
negative reactions of employees have also been described in BPM reach and emphasized as a source of
potential failure, thus our paper introduces a novel approach to understanding BPM initiative
implementations.

Business process change fits under the organizational change perspective and is characterized not as a
monolithic concept, but rather as a continuous series of approaches to process change (Kettinger et al.
1997). Barker in his Paradigm Effect concept explains how individuals perceive the world around them, by
continuously filtering and selecting only the data that fit into their existing paradigm (Barker 1993).
Building on Alter’s work system framework, we define business process change as altering at least one of
these three components: participants, information, technology (Alter 2002). Thus if the change activities
focus on information and technology, the participants are confronted with a new work environment. If
employees are complacent with the old work environment, this can cause them an unpleasant mental
state, known as cognitive dissonance (Festinger 1957). The employees are compelled to resolve the
dissonance and the organization should guide the resolution to get the employees “on board” with the
change.

Business process management (BPM) as a (theory and) means of continuous process improvement has
gained importance over the last decades (Rosemann 2014; vom Brocke et al. 2015). Evolved from the
concept of radical process change, called Business process reengineering, initiated by (Hammer 1990) and
(Davenport and Short 1990), the current methodology of business process management advocates
continuous business process change to achieve sustainable organizational success (Jeston and Nelis
2014). Despite extensive investments, most reviews are still reporting a staggering number of BPM
initiatives (ca. 60-80%) having been unsuccessful (Karim et al. 2007; Trkman 2010). While structured
BPM implementation phases are a prerequisite for successful implementation, in isolation, they do not
automatically guarantee success. Among others, the acceptance of changes by the employees (Oreg et al.
2011), enabled through “active involvement” (Elzinga et al. 1995), is an important factor of long-term
success. Thus, we argue that it is important to acknowledge, foster and measure the involvement of
employees within each phase, as only engaged employees can contribute to continuous optimization.
Theoretical basis

A deeper theoretical understanding of the factors contributing to organizational change is required to better understand which actions are required to assure long-term success of BPM. We deliberately focus on the change recipients’ reaction to change. Observing patterns of attitudes and ambivalence over time might be more useful for predicting the success of a change initiative than measuring employees’ attitudes toward the change at any one point in time (Piderit 2000). Due to the length limitation of this paper the theoretical concepts of cognitive dissonance and absorptive capacity will be only shortly introduced.

Cognitive Dissonance

BPM is usually started due to the unsatisfactory level of belief structures and routines regarding the current organizational process. However, the given fact that employees had to work in those processes, perhaps for years, the likely assumption is that at a certain point they have found themselves in a cognitive dissonance (Festinger 1957). Cognitive dissonance (CD) is a state of psychological discomfort that is caused by an inconsistency among a person’s cognitions, i.e. beliefs, attitudes, or actions. This discomfort of having inefficient processes and the lack of either power or ability to change them can be settled by the following CD reduction strategies; by changing one’s cognition, reducing the importance of the dissonant cognition, or introducing a new cognition to counteract the dissonant cognition (Festinger 1957). Hence, any attempts to change the existing state of the processes through BPM initiatives will again cause cognitive dissonance in employees, by confronting their current belief with the notion of proposed improvements.

In line with Harmon-Jones, we suggest that dissonance processes may serve the necessary and vital function of assisting in the execution of effective and un-conflicted behavior (Harmon-Jones and Harmon-Jones 2002). Even further, the activation of the dissonance process affects the brain behavior and can tightly predict subsequent attitude change (Van Veen et al. 2009). Therefore, the resolution of CD may result in negative reactions – often interpreted as resistance to change. This should not be necessarily perceived as an unintended consequence. To the contrary, the simultaneous occurrence of strong positive and strong negative evaluations not only promotes organizational action taking per se but also increases the scope of action. Organizations can act upon guiding the gradual resolution of CD throughout the BPM initiative.

Absorptive capacity

Absorptive capacity (AC) is defined as the ability to value, assimilate and apply new knowledge (Cohen and Levinthal 1990). The success of the organizational change depends on the alignment of the proposed changes with the AC of an organization as a whole and each of its parts. If the organization obtains a higher AC during initial project this means that it will in the future be able to better use new knowledge within their processes and implement changes to further improve their operations or adapt to changes in the environment (Francalanci and Morabito 2008).

An important prerequisite for increasing AC for BPM-related organizational change is therefore establishing communication channels including cross-functional teams, formal and informal meetings, as is communicating the potential of the process redesign to all stakeholders (Harrington and Guimaraes 2005). Thus, a BPM initiative has to be run in such a way to provide this experience to the employees and the organization as a whole. Accordingly, the employees can drive the BPM efforts even after the end of the BPM initiative and after the departure of consultants. The increased absorptive capacity can thus be considered the precondition for business process improvement (Manfreda et al. 2014).

Activating the “BPM mentality”

Employees confronted with change experience CD. This unpleasant mental state drives the employees to apply one of the possible CD resolution strategies. The CD resolution is imminent, since each individual strives to harmonize his contradicting state of beliefs, thus the organization at this stage should guide the employee towards a BPM-favorable CD resolution by organizing workshops, enabling communication, supplying information, etc.
The organization should carefully consider how this can be done in each BPM phase through personalizing the approach. The initial phase, to clarify objectives of the BPM initiative, can engage the employees in a discussion about the change benefits. It is vital to devote enough time for employees to voice their thoughts and concerns and to assess their understanding of phase-related process concepts. Additionally, throughout the following phases the organization should measure the understandability of the processes models among all employees to increase their process-orientation and knowledge. This would increase their individual AC, so they could more easily and readily acquire new knowledge (Manfreda et al. 2014). Increasing the AC of several individuals will contribute to an overall increase of AC on the organizational level. This considerably improves the likelihood of not only a successful BPM implementation, but also continuous BPM improvement and initiatives in the future.

The idea of the whole BPM initiative and the way it is done is to increase the absorptive capacity in those areas where it will be most needed in terms of BPM after the end of the project. Often a BPM initiative is led by consultants who leave after the end of the project. Thus it is essential an organization improves its ability to make further changes (Manfreda et al. 2014).

Ultimately, resolution will involve trade-offs between competing influences and reflect the individual’s choice to either engage in substantive compliance, or merely make a symbolic gesture. Understanding the decisions made by individuals about the adoption of a new initiative requires consideration of the localized social context (Bercovitz and Feldman 2008; vom Brocke et al. 2015)

**Conclusion**

Successfully improving the processes of an organization depends on generating employee support and enthusiasm for the proposed changes, instead of simply conquering employee resistance (Piderit 2000). Our findings can help companies and consultants to improve the approach towards organizational changes in general and business process management in particular. The suggested improvements do not require drastic changes in existing methodologies but the execution of existing phases in a different way increases the likelihood of long-lasting effects of BPM. Typically, BPM initiatives become increasingly technical and model-focused thus alienated from the majority of stakeholders. A more participatory approach is needed.

As this paper is still work in progress, further research steps include a more in-depth research of each BPM lifecycle phase. We aim to present the additional steps of the employee-oriented BPM approach in a conceptual framework. Based on the theoretical basis of combining CD and AC, we plan to derive practical recommendations and show through illustrative examples how and why they can lead to success or failure. The theoretical contribution and the real-world examples will provide valuable insight for both academic and practice-oriented audiences.

**REFERENCES**

BPM Explained Through Cognitive Dissonance and Absorptive Capacity


