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**The Impact of Business Process Management on the Improvement of Performance Factors in
Saudi Arabia**

أثر إدارة إجراءات الأعمال على تحسين عوامل الأداء في المملكة العربية السعودية

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Abstract:

This study aims to investigate the impact of business process management (BPM) on various performance improvement factors within organizations. BPM has gained significant attention in recent years as a strategic approach to streamline and optimize business processes to achieve better performance outcomes and operational excellence.

The research will analyze the existing literature on BPM and performance improvement factors such as cost reduction, operational efficiency, customer satisfaction, and organizational agility. The study will also explore the relationship between BPM practices and these performance metrics through a quantitative analysis of data collected from selected organizations in Saudi Arabia that have implemented BPM at different maturity level from ad-hoc to controlled BPM.

The findings of this research will provide valuable insights into the benefits of BPM in enhancing organizational performance and help businesses in identifying key areas for improvement. The results will contribute to the growing body of knowledge on BPM and its impact on performance improvement factors, ultimately guiding organizations in their strategic decision-making and implementation of BPM practices.

مختصر:

تهدف هذه الدراسة إلى معرفة تأثير إدارة إجراءات الأعمال (BPM) على عوامل تحسين الأداء المختلفة داخل المنظمات. لقد اكتسبت إدارة إجراءات الأعمال (BPM) اهتمامًا كبيرًا في السنوات الأخيرة باعتبارها نهجًا استراتيجيًا لتبسيط العمليات وتحسينها لتحقيق نتائج أداء أفضل وتميز تشغيلي.

سيقوم البحث بتحليل بحوث سابقة حول إدارة إجراءات الأعمال (BPM) وعوامل تحسين الأداء مثل خفض التكاليف، والكفاءة التشغيلية، ورضا العملاء، ومرونة المنظومة. سوف تستكشف الدراسة أيضًا العلاقة بين ممارسات BPM ومقاييس الأداء هذه من خلال التحليل الكمي للبيانات التي تم جمعها من مؤسسات مختارة في المملكة العربية السعودية التي طبقت BPM على مستويات نضج مختلفة من BPM من مستوى الخالي من التخطيط إلى التحكم في إدارة BPM.

ستوفر نتائج هذا البحث رؤى قيمة حول فوائد BPM في تعزيز الأداء التنظيمي ومساعدة الشركات في تحديد المجالات الرئيسية للتحسين. وسوف تساهم النتائج في تنامي المعرفة حول BPM وتأثيرها على عوامل تحسين الأداء، مما يؤدي في النهاية إلى توجيه المؤسسات في عملية صنع القرار الاستراتيجي وتنفيذ ممارسات إدارة إجراءات الأعمال BPM.

Chapter One

Introduction:

Business Process Management (BPM) has emerged as a strategic approach for organizations to optimize their processes and enhance overall performance. In the context of Saudi Arabia, where businesses are increasingly focused on improving efficiency, cost-effectiveness, and customer satisfaction, the implementation of BPM holds significant potential to drive organizational success. This research aims to explore the impact of BPM on the improvement of performance factors within selected organizations in Saudi Arabia that can represent to a great extent the organizations in Saudi Arabia in general. Hence, the selection included a listed company, family-owned group of companies and a governmental entity.

Saudi Arabia's economy has undergone rapid transformation in recent years since the introduction of Vision-2030 with a growing emphasis on diversification and innovation. As organizations strive to stay competitive in a dynamic business environment, the need for efficient and effective processes becomes paramount. BPM offers a framework for organizations to analyze, redesign, and automate their business processes to achieve strategic goals and deliver value to customers.

This research will investigate how the adoption of BPM practices influences various performance factors, such as cost reduction, operational efficiency, customer satisfaction, and organizational agility, in Saudi Arabian organizations. By engaging in a comprehensive literature review on BPM and performance improvement factors, this study will provide a theoretical foundation for understanding the relationship between BPM and organizational performance.

Furthermore, through a quantitative analysis of data collected from surveys conducted with organizations in Saudi Arabia that have implemented BPM, this research will assess the tangible impact of BPM on performance improvement. By identifying key success factors and challenges faced by organizations in implementing BPM, this study aims to provide practical insights for businesses seeking to enhance their performance through BPM practices.

Overall, this research will contribute to the existing knowledge on BPM and its potential benefits for organizations in Saudi Arabia. By shedding light on the impact of BPM on performance improvement factors, this study will offer valuable insights for organizational leaders, managers, and practitioners looking to leverage BPM as a strategic tool for success in the Saudi Arabian business landscape.

Research Problem:

While the concept of Business Process Management (BPM) has gained recognition as a strategic approach to drive performance improvement in organizations, there is a gap in understanding its specific impact on performance factors within the context of business in Saudi Arabian. Despite the increasing focus on efficiency, cost-effectiveness, and customer satisfaction in Saudi Arabia, there is limited empirical research on how BPM best practices or the lack of it contribute to these performance metrics in organizations operating in the region.

The unique socio-cultural and economic context of Saudi Arabia presents distinct challenges and opportunities for organizations aiming to implement BPM initiatives. The lack of research on the impact of BPM on performance improvement factors in Saudi Arabian organizations hinders the ability of businesses in the region to leverage BPM effectively to achieve competitive advantage and drive sustainable growth.

Moreover, while the potential benefits of BPM are well-documented in global studies, the applicability and effectiveness of BPM practices in the specific business landscape of Saudi Arabia remain underexplored. Understanding how BPM maturity can address the performance challenges faced by organizations in Saudi Arabia is crucial for driving strategic decision-making and enhancing operational excellence in a rapidly evolving market.

Therefore, the research problem at hand is to investigate the impact of Business Process Management on the improvement of performance factors in organizations in Saudi Arabia and to identify the key success factors, challenges, and implications of implementing BPM practices in this unique business environment. By addressing this research gap, this study aims to provide valuable insights that can inform organizational strategists and practitioners for optimizing performance and achieving sustainable business success in Saudi Arabia.

The Importance of the Research:

The research on the impact of Business Process Management (BPM) on the improvement of performance factors in organizations in Saudi Arabia holds significant importance for several reasons:

1. **Strategic Decision-Making:** Understanding how BPM practices influence performance factors in Saudi Arabian organizations can inform strategic decision-making processes. By identifying the key success factors and challenges associated with BPM implementation, organizational leaders can make informed decisions to drive performance improvement and achieve business objectives.

2. **Competitive Advantage:** In a rapidly changing business landscape, organizations in Saudi Arabia need to stay competitive by continuously enhancing efficiency, cost-effectiveness, and customer satisfaction. Research on the impact of BPM on performance factors can help businesses leverage BPM as a strategic tool to gain a competitive advantage in the market.
3. **Operational Excellence:** BPM offers a systematic approach to analyze, redesign, and automate business processes, leading to improved operational efficiency and effectiveness. Research on the impact of BPM in Saudi Arabian organizations can provide valuable insights for enhancing operational excellence and optimizing business processes.
4. **Customer Satisfaction:** Meeting customer expectations and delivering high-quality products and services are key priorities for organizations in Saudi Arabia. By understanding how BPM practices can enhance customer satisfaction, businesses can improve their customer retention rates and build strong relationships with clients.
5. **Economic Growth:** As Saudi Arabia focuses on economic diversification and innovation; the adoption of BPM can contribute to sustainable growth and development. Research on the impact of BPM on performance factors can help organizations in the region drive productivity, innovation, and profitability, leading to overall economic advancement.

Overall, this research is crucial for enhancing the understanding of how BPM can drive performance improvement in organizations in Saudi Arabia. By exploring the impact of BPM on key performance factors and providing practical insights for implementation, this study can empower organizations to unlock their full potential, achieve strategic goals, and thrive in the competitive business environment of Saudi Arabia.

Research Objectives:

1. To investigate the current state of Business Process Management (BPM) practices in the selected organizations in Saudi Arabia for this research.
2. To examine the impact of BPM on performance factors
3. To identify the key success factors and challenges associated with the implementation of BPM practices in the Saudi Arabian business context.
4. To explore the implications of BPM adoption for organizational agility, innovation, and competitiveness in Saudi Arabia.
5. To provide practical recommendations for organizations in Saudi Arabia on leveraging BPM to drive performance improvement and achieve sustainable growth.

6. To contribute to the existing body of knowledge on BPM by conducting empirical research in the specific context of Saudi Arabian businesses, filling a significant research gap in the literature.
7. To create awareness among organizational leaders and decision-makers in Saudi Arabia about the potential benefits of BPM and the importance of adopting BPM as a strategic approach to enhance performance and achieve strategic objectives.

Research Hypothesis:

The hypothesis that is going to be explored in this research is that there is a positive relationship between the adoption and maturity of Business Process Management (BPM) practices and organizational performance in various performance factors in Saudi Arabian organizations such as:

- Operational efficiency
- Cost savings and improved cost-effectiveness
- Customer satisfaction levels
- Higher levels of innovation and agility

Literature Review:

This literature review aims to explore the impact of BPM on the improvement of performance factors in Saudi Arabia. The review will analyze a number of relevant papers that investigate the relationship between BPM and performance factors in the Saudi Arabian context.

[Al-Mashari, M., & Zairi, M. \(2000\). BPR implementation process: an analysis of key success and failure factors. Business Process Management Journal.](#)

This study provides insights into the implementation process of Business Process Reengineering (BPR) and identifies key success and failure factors. It highlights the importance of aligning BPM initiatives with organizational objectives and engaging employees in the change process. It explores the alignment role of BPR and BPM with IT infrastructure requirements, the effective use of consultants, and in how this helps organization achieve Total Quality Management (TQM). (6)

[Villari, Bobby Chaitanya, and Sanjay Jharkharia. "Critical success factors for ERP implementation: A classification." Twelfth AIMS International Conference on Management. 2014.](#)

This study links to a great extent that ERP implementations are more successful the design and implementation are fit to the business processes. This actually translates to the fact that the firm is deploying a more mature business process management. (7)

"Greater the fitness the easier for the organization and people to adopt to the system as there would be lesser requirement for any further business process reengineering."(7)

Al-Mashari, M., & Zairi, M. "Business process reengineering: a survey of international experience". *Business Process Management Journal*, 9(5), 604-622.

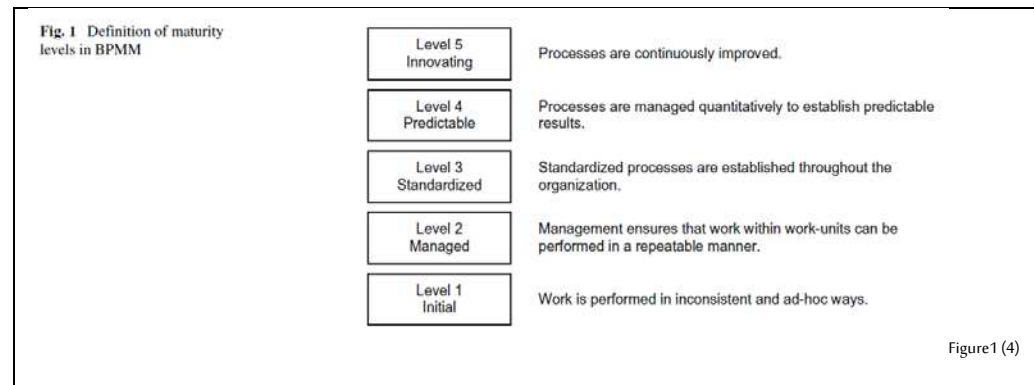
This survey-based study explores international experiences with Business Process Reengineering (BPR) implementation. It is about the need for conducting change on the business process in a way to achieve better performance and quality of operations. One of the most interesting findings of this study shows that incremental improvements and process redesign can bring big benefits with less need for radical reengineering or major innovative exercises. (8)

Mohamed Zairi "Business process management: a boundaryless approach to modern competitive." *Business Process Management Journal* ISSN: 1463-7154, 1 April 1997

This study begins by introducing what is a process and defines as in very simple terms as an approach for converting inputs into outputs. However, it sheds a light on the need for a good BPM practice to be based on accredited quality systems to make sure that documentation of the processes and procedures are governed and controlled with the right accessibility to various take holders such as the ISO-9000 quality system. The study also mentions that BPM has to align with the corporate strategy. This paper points out to the fact that not only you need to have documentation and control for BPM, but also organizations need to create a business process management culture because it not a goal to reach, but rather a continuous, systematic, and consistent approach that will take years to becoming a fully process-oriented organization. (1)

Remco Dijkman & Sander Vincent Lammers, and Ad Jong. "Properties that influence business process management maturity and its effect on organizational performance," *Information Systems Frontiers*, Springer, vol. 18(4), pages 717-734, August. 2016

This case study shows how maturity models initiated in business literature by Crosby (1979) and Nolan (1973) found their way into the business process management. It concluded that the more mature your BPM system is, the more benefit and positive impact it will have on the organization's performance. (4) see figure 1



From this literature review, we can see that there is a strong link between BPM and organizational performance, however, there is little reference to Saudi Arabian market. Moreover, there is some mention about the maturity of BPM but there is no clear description and practical demonstration of how this maturity should look like on the ground and what are the signs that BPM needs to be visited as we live in a very dynamic state in current years and the coming future will obviously pose a great challenge. Hence, the need for this research as it will shed light on these areas.

Research Methodology

This research will use a mixed-methods approach combination of inductive, deductive, and descriptive approaches.

The research will utilize qualitative analysis of information collected using interviews and focus groups.

Moreover, quantitative analysis will be utilized based on data collected from operational data from systems such as ERP based on historical analysis of impact happening after change introduced on some parts of BPM in the organization.

As for the descriptive part, A survey developed to measure the impact of the implementation and maturity of BPM. The survey will be administered to relevant stakeholders in the selected organization' managers, staff in the Quality Departments, or the assigned manpower responsible for BPM and continuous improvement such as the Center of Operational Excellence or equivalent departments. The research will. Additionally, through the experience of the author with interaction with these organization, more analysis will be attainable from case studies with the chosen organizations in this research.

By utilizing a mixed-methods research approach, this study can offer a comprehensive analysis of BPM practices in Saudi Arabian organizations, explore the factors influencing BPM implementation success, and provide valuable insights for organizations looking to enhance their performance through BPM strategies.

Research Tools and Data Collection

Study Population: A non-random set of 4 organizations that the research will be based on due to previous interaction, experience and convenience as interactions were within the same field of the study. The selected organizations are:

1. **Solutions by STC:** A Saudi Exchange listed company. It is an ICT solutions service provider.
2. **MadaenGroup Company:** A family-owned closed shared company with business spanning several services and products namely, real estate development, real estate management, architectural design and construction, tourism and entertainment.
3. **Arab Computer Systems:** A family-owned IT solutions provider
4. **Vision Realization Office of Ministry of Finance:** A governmental entity responsible for the PMO strategy and execution of vision-2030.

Data Collection:

- Conduct interviews with key stakeholders (e.g., managers, employees) to gather insights on BPM implementation challenges, success factors, maturity, and outcomes.
- Organize focus groups to facilitate discussions on BPM best practices, organizational impacts, and recommendations for improvement.
- Collect data from case studies of the selected organizations to analyze BPM strategies, processes, and outcomes.
- Develop a survey questionnaire to measure the effectiveness of BPM practice, adoption, impact on key performance indicators, and overall organizational performance.

Data Analysis:

- The research will use topical analysis to identify common patterns, themes, and insights from interviews, focus groups, and case studies.
- Interpret qualitative data to provide rich descriptions of BPM practices, challenges, and impacts in Saudi Arabian organizations.
- Analyze survey data using statistical methods to measure the relationship between BPM adoption and maturity and organizational performance indicators.
- Use descriptive analysis to assess the significance of BPM practices on efficiency, cost-effectiveness, customer satisfaction, agility, and innovation.

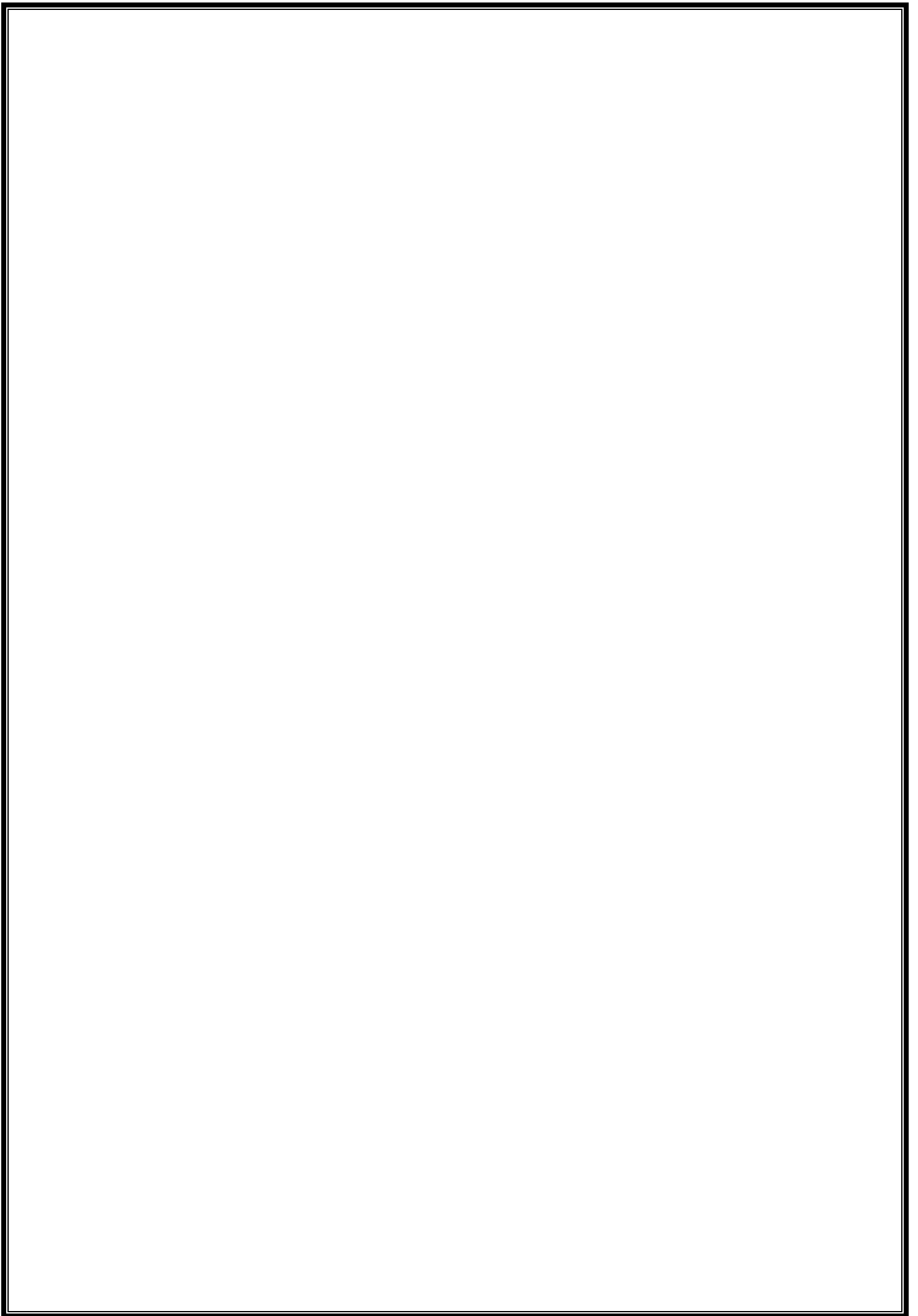
Research Scope:

- The research scope will be about studying current business processes documented.
- The processes in place for the improvement and change control for BPM.

- The implemented technological systems that are based on the BPM system such as ERP.
- Any business-related key performance indicators statistics that are collected.

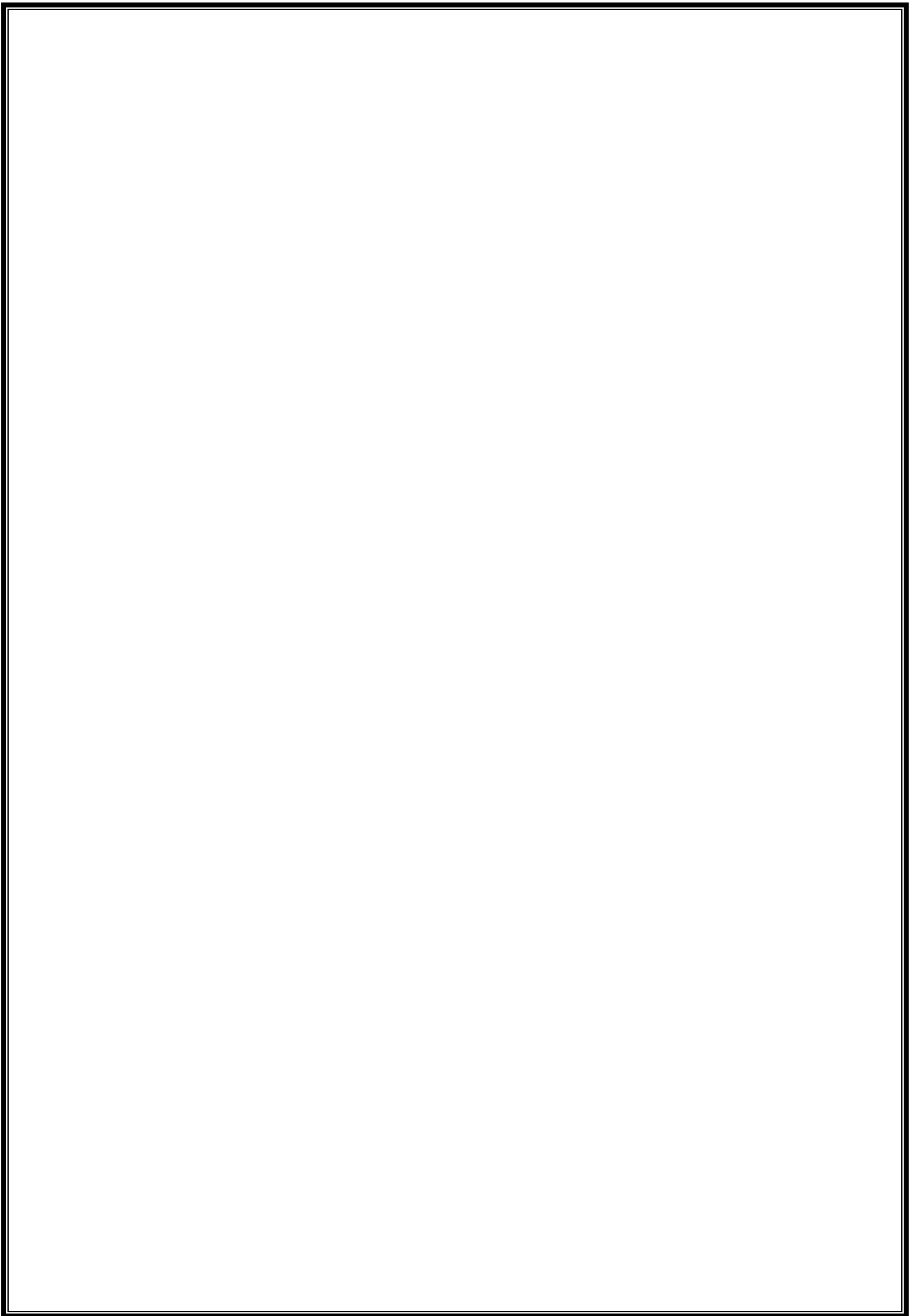
Conclusion:

The reviewed literature highlights the positive impact of Business Process Management (BPM) on performance improvement, in Saudi Arabian market. Key success factors identified include top management support, employee involvement, effective change management, and technology utilization. Cultural factors specific to the Saudi Arabian context are also emphasized. Adopting BPM practices can lead to enhanced operational efficiency, cost reduction, and improved customer satisfaction in Saudi Arabian organizations. Further research is recommended to explore specific industries and sectors to gain deeper insights into the impact of BPM on performance factors in Saudi Arabia.



Summary:

Recommendations:



Initial References: *(preliminary list in addition to some data collected from the 4 organizations under this research scope)*

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