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Process Improvement: assessing the influence of external intervention

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Abstract

This paper presents the findings from a large-scale empirical investigation into the impact of external intervention into business process improvement using a hybrid model of knowledge transfer (KT). Through the utilization of a survey instrument with 696 respondents, the research explores the insights into a phased approach to sustainable external intervention. Analysis of the empirical data indicated that organisations are receptive to external intervention, which can lead to improved levels of knowledge transfer, organisational culture, and business innovation. Furthermore, high impact intervention can contribute to long-term sustainability. The results also indicate that intervention has been more successful through intermittent intervention in terms of specific initiatives such as business process improvement, technology transfer, change management and new product development. The paper contributes to the impact of intervention from the perspective of facilitating the knowing-doing gap, bridging the gap within this research theme.

Keywords: External intervention, consultancy, process improvement; knowing-doing gap, survey

Introduction

Businesses continue to operate in a continuously changing and increasingly complex environment. In order to create resilience in their businesses they need to develop systems which support learning and knowledge-building (López et al., 2006). Recent studies have emphasised the interplay between such external factors, competitive pressures, customer's demands and internal organisational conditions, not to mention the importance of how managers assess the need for intervention in which brings value to the business. Therefore, organisations are prioritising their intervention and change management programmes in terms of impact and sustainability (Klofsten, and Jones-Evans, 2013).

Businesses also need to monitor the critical decision-making points and reflect on whether they wish to commit additional resources to overcome such obstacles or 'hotspots', sometimes referred to as 'Tipping Points', (Phelps et al, 2007). The 'Tipping Point' concept originates in epidemiological studies signifying a critical point in an evolving situation, before which relative stability is the condition, but only after which a large change is observed (Phelps et al, 2007). There is an extensive body of knowledge in change management and supporting collative literature into the impact of knowledge transfer (Ismail, et al, 20011, Reid, et al, 2013); but little research has been carried out on the value of Knowledge Transfer (KT), in terms of impact, long-term sustainability and innovation (Adams, et al, 2006).

This paper demonstrates the importance of intervention and how short-term and long-term intervention has reinforced the drive to move the business to the next level. The research also reflects on the current practice of intervention and how organisations seek external sources in order to implement change, either to resolve a problem or source a new avenue to stimulate business growth. The intention of this study is to capture the very nature of intervention from an international perspective.

2.0 Literature

Intervention often occurs when one or more organisational members come to believe internal capabilities have reached their limit and additional external support is therefore required. For example, several authors including Jones and MacPherson (2006), Ates and Bititci (2011), Ismail et al, (2011a), and Parker et al (2013) have paid attention to the theories behind KT, and the connections to business resilience and sustainability. Armenakis et al. (1993) suggested that the effectiveness with which interventions are implemented depends upon readiness to change. For example: Consultants advise on processes of change within or between organisations, the consultant operating as a direct "change agent" (Theo, 1998). Following this suggestion, Ates and Bititci, (2011) suggested that many factors, such as strategic capability, operational capability, leadership capability and adaptive capability, are thought to influence the success or failure of interventions within organisations. Other authors have paid attention on the sources of change management, and the relationship to resilience and knowledge transfer, (Afgana et al, 2011), and (Gilbert et al, 2012).

2.1 Knowledge Transfer and Knowing-Doing Gap

One of the most thought after questions within interventions is to adopt what we call the "*knowing-doing gap*" (Pfeffer, and Sutton, 1999). In the past, intervention has been successfully used to solve a broad range of challenging management problems in areas such as logistics, operations, marketing, and finance. Management consultants are often central figures in intervention because they promote diffuse and implement new organizational practices. Consultancies are important agents engineering new standards of organizational practice (Sturdy *et al* 2013). The onus is on the consultants to translate and respond suitably to ensure a match and to establish the benefits of working together. Consultants do this by focusing on developing a 'helping relationship', and using familiar participation, governance and communication processes to encourage a belief in the reliability and integrity of the service Sturdy *et al* 2013, They highlighted that external intervention is centred around providing, acquiring and processing information through knowledge structures, scripts and heuristics, however external intervention has to be consistent

with industry practice and ease interaction with client organisations. We argue that considerable insight to the value of intervention can be gained by focusing on the kinds of interventions that occur in the work place.

This research intends to explore impact of external intervention in terms of the context, content, and process. Intervention can vary from a simple exchange of advice or service, to ‘insider’ through payment, in which social interaction develops in what are often long-lasting relationships. Although criticisms of external intervention, such as external consultants are sometimes based merely on misunderstanding the nature of the intervention required. This research investigates the decision-making process prior to such external interventions and the proof of principle of impact of external intervention. Our research examines the key drivers of intervention, and reflects on the impact in terms of the impact of intervention on company’s overall strategic performance desired on the route towards building business sustainability.

2.2 Service Blueprinting

There are a number of studies within single industries demonstrating that there are superior ways of managing people and organizing their work. There have been a number of studies where knowledge of how to enhance performance was unsuccessful in terms of KT even within firms (Pfeffer, and Sutton, 1999), Grando and Belvedere (2008). (Johannessen and Olsen, 2010), (Matthias *et al* 2014). What is more, there is no simple analyses or easy answers for the knowing-doing problem. Therefore this research aims to add to the contributing into the critique into impact external intervention. This intervention gap applies equally in the case of small as well as large firms (Ismail et al 2011).

An initial conceptualisation of such an as a Service Blueprint, has been envisaged to help impact and value of external intervention through the management of end-to-end processes. By embedding organisational knowledge so that it can be adapted and shared in a way directly relevant to the stated operational problem, this can help consultancies combine the mechanistic with the individual process of knowledge creation and transfer, and simultaneously drive solution-tailoring in a way clients recognise. Perhaps most importantly it will show the client their voice is influential in the design of such a personal professional service. A contextual, exploratory and interpretive approach is adopted because it acknowledges that reality is based on individual perceptions and experiences that may change over time and context Lomas, 2010, cited in work of Matthias et al (2014). This study provides an insight the scopes of interventions and potential tipping points with a number of process improvement initiatives.

3. Methodology

We argue that considerable insight to the value of intervention can be gained by focusing on the kinds of interventions that occur in the workplace. The aim of the research is to understand the experience of individuals who engage external intervention for their organisation. This article builds a bridge between the theoretical starting point of intervention in which the results of empirical research and the usability of the presented findings in practice in order to contribute to the development of more resilient businesses. Therefore, questionnaire was designed through the lifecycle of an intervention approach developed by Ismail et al (2011). From an intervention point of view, figure 1 describes intervention phases in which the scope of the intervention is defined: S1: Recognition of need, S2: Pre-Intervention

stage, S3: Planning stage, S4: Implementation stage, S5: Barriers and enablers to implementation, S6: Impact and S7: Sustainability and refine the purpose, and develop the course of action required to meet the intervention objectives.

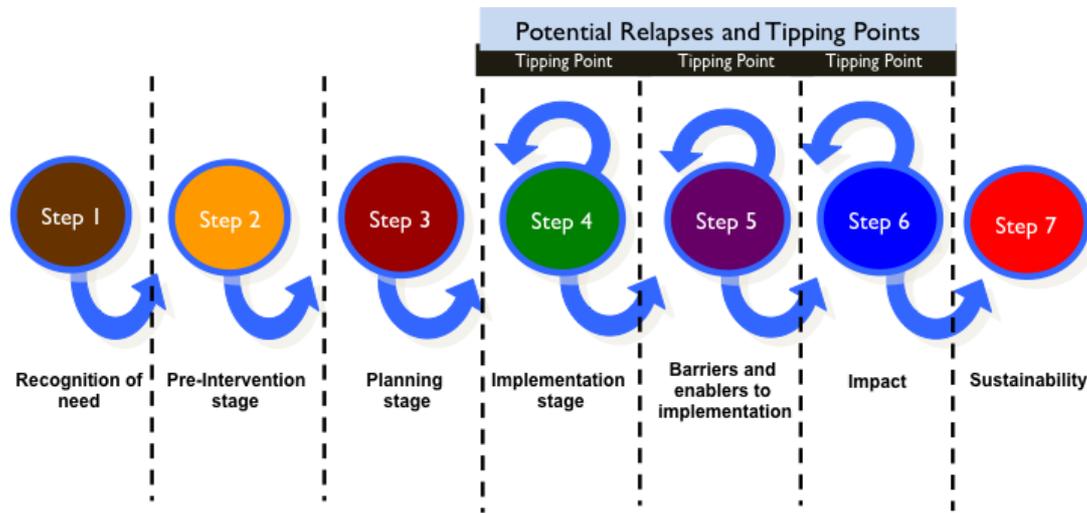


Figure 1 Intervention Phases

These activities include developing the project plan, developing scope requirements, creating the work breakdown structure, developing the schedule and required activities, developing budgets and costs, planning for quality, the human resources plan, communications plans, risk management and procurement. The advantage of the approach is that it follows a series of logical steps whereby companies are supported through a intervention programme over an extended period (n=486: 1-6 months: 22.6%, 6-12months: 38.7%, and 12-18month: 38.7%: (thereby increasing the likelihood that new behaviours become habitual.

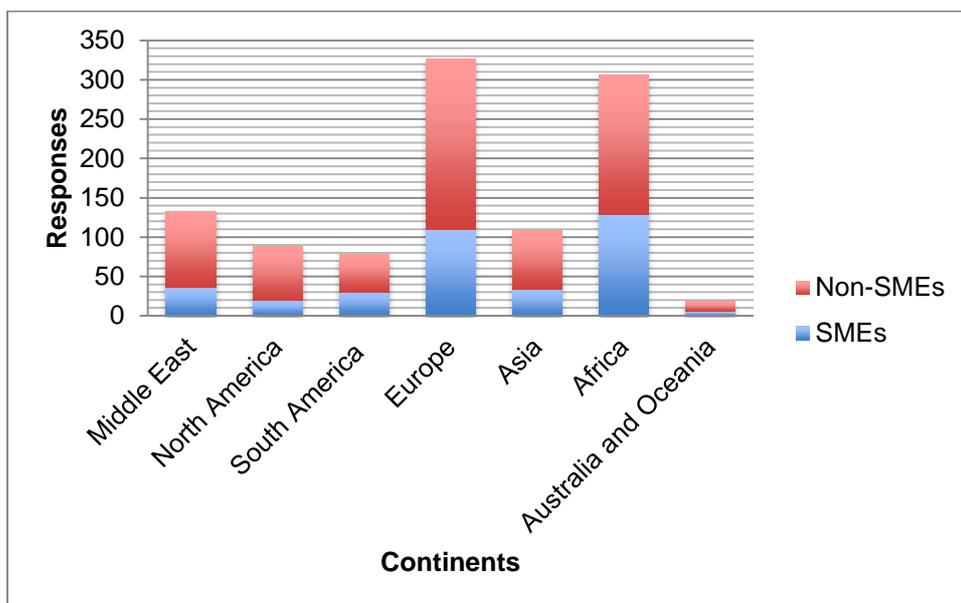


Figure 2 Geographical Distribution and Company Size

In terms of the scope of the intervention, 362 were classed as Small Medium Enterprises, (European Commission, 2008) whereas 363 companies were non-SMEs). The study highlighted that 54% (n=210) of the intervention themes centred around improving the organisation's business processes developed through a Customisation Blueprint (Matthias et al, 2014). Even though Business Process Reengineering (BPR) has been the subject of much practitioner and academic debate (Hipkin and Cock, 2000), (Ostadi et al, 2011). The research highlights its continuing existence of barriers of implementation. The study highlighted the following factors depicted in figure 3.

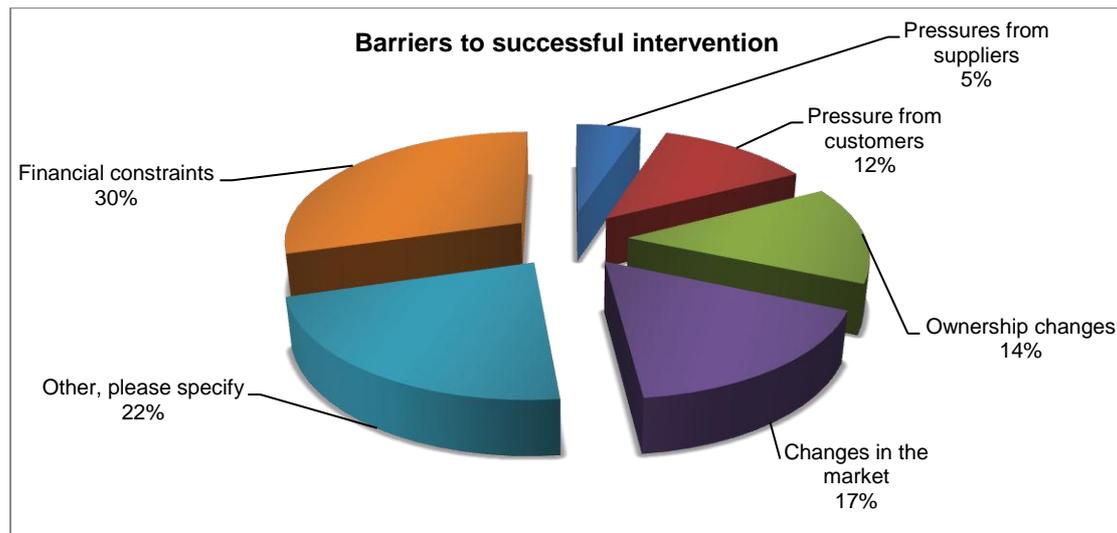


Figure 3 Barriers to successful intervention

Furthermore, claims and counter-claims persist as to their effectiveness, and what has gone right and wrong in their implementation. For example, Ostadi (2011) highlighted that practitioners should evaluate the organisation's capabilities before and during the implementation of the project.

Results

Management consultancy was the significant resource which companies turn to, whereas companies seeking government intervention was extremely low, with only 4% (n=396) of the respondents involved in government intervention initiatives, coinciding with the decline in EU funding over the last 18-24 months. The analyses also revealed a number of attributes of the external intervention in terms of duration, continuous or intermittent, the types of training and the retention of knowledge. As initial level of awareness and knowledge in the area of the intervention was 33% (n=162) 'Knowledgeable', 'Aware', 45% (n=223) Experienced, 17% (n=83) and only 10% (n=48), 'Unaware'. 65% (N=455) of the respondents reported that the senior management team was the key driving force behind the intervention.

Furthermore, the planning characteristics within the intervention (step3) demonstrated that the majority of interventions lasted 12 months in order to build on the company's knowledge of the intervention themes. The majority of training was carried out in a formal setting, with European company's adopting a more informal setting. The analyses also revealed that successful interventions were more vulnerable in terms of: (a) Committed staff, (b) Strategic Leadership, (c) Clear

Targets and Goals (d) Sufficient Resources, (e) Results orientated approach and (f) Staff Training. Consequently it is our contention that external intervention as key 'practical implementation' players for this form of strategic innovation to business growth. In order to clarify the sustainability of intervention the follow-up question is "should there be a combined intervention approach in order to embed the new knowledge within the organization?". As a high percentage of the interventions reported (179/275) failed to embed the new knowledge within their organisations, the analysis shows that potential relapse of sustaining the new methods of working. The results reveal that external intervention requires a long-term commitment through frequent intervals in order to create a learning organisation and appreciation to the initiatives for continuous improvement.

Discussion

The evidence from this research points to the feasibility of the development of a structured approach for the creation of tailored solutions. An initial conceptualisation of such an approach, a Customisation Blueprint, (Matthias, 2014), has been envisaged to support the impact of external intervention through sustained organisational knowledge. It appears productive for several reasons. Firstly, it represents the nature of intervention in configuring the KT. Secondly, it is intended to discourage potential tipping points by assessing the barriers and enablers to implementation. This can help consultancies combine their 'proof of principle' (knowledge) with the individuals and organisations in order to drive solution-tailoring in a sustaining process improvement. Perhaps most importantly it will show the client their voice is influential in the operational design of external intervention. There remains a meaningful debate regarding the contingent appropriateness of external intervention and impact KT. Further research could explore the relationship between KT in terms of the company size through the variations of external interventions that organisations seek.

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