

Strategic Integration: Developing a Process-Governance Framework

Ashley Braganza

ABSTRACT:

This paper suggests that business leaders need governance mechanisms that enable the organisation to be integrated at strategic and operational levels. A review of the literature reveals that while governance has been examined from several perspectives and for various units of analysis, one that is missing is business process. This unit of analysis is essential for the purposes of effective governance, as business processes form a critical link between strategy and operational activities. The Process-Governance Framework, introduced in this paper, guides business leaders through governance issues at strategic and operational levels. Implications for business leaders are highlighted.

INTRODUCTION

Business leaders are faced with an unenviable task. They have to lead their organisations through uncharted terrain, with few, if any, tried and tested rules to guide them. The changes, brought about by globalisation strategies, outsourcing and knowledge management (Earl and Scott, 1999), when combined with the effects of e-business, have created a situation in which traditional governance mechanisms that are intended to integrate the variety and range of organisational activities are insufficient (Prahalad and Oosterveld, 1999).

Business leaders have to create organisations that can react quickly to external changes is not a new challenge. However, what is new is that changes in the future may be in directions that are hardly conceivable today. Moreover, many of the models and frames of reference held currently by business leaders are inappropriate for taking decisions about the future. Business leaders, therefore, have the task of creating a new framework for adapting to external pressures while, at the same time, ensuring the organisation retains a sense of integrity at strategic and operational levels.

Scholars suggest a number of different structural configurations to align organisations with external pressures (Ackoff, 1989) (Handy, 1995). The approaches on organisation structure provide valuable insights when addressing complex issues that have plagued business leaders

since the principles of management were expounded (Taylor, 1911). However, the operationalisation of changes to organisational structure manifest themselves in reorganisation initiatives (Mintzberg, 1989). Each reorganisation when examined from the Board of Directors' perspective makes logical sense. Yet, when considered from the perspective of people in the middle and lower echelons of the business, reorganisations result in a confusion of solid and dotted reporting lines (Bartlett, 1995). Moreover, directors barely consider the business processes that cut across the organisation prior to changing the structure (Hammer and Champy, 1993). Consequently, reorganisations often result in a breakdown in the alignment between functions at both strategic and operational levels. Over time, poor relationships between functions leads to conflict between the silos, a degeneration of the organisations competitive spirit, and an inability to implement strategy and exploit opportunities.

The premise underpinning this paper is that traditional organisational governance mechanisms are unlikely to provide business leaders with the means to address environments where the rules of competition are changing in ways that are barely understood. Rather, the paper suggests an alternative approach that, at its core, combines two distinct concepts: business processes and governance. It argues that governance at the level of the business process enables organisations to be managed in ways that enable changes, identified either for strategic purposes or in response to an environment shift, to be effected quickly and appropriately.

This paper develops a conceptual framework to align governance with business processes. The framework enables business leaders to identify governance practices that enhance an organisation's capability to respond to external changes. The framework also provides managers with a practical basis from which to discuss with colleagues governance over responsibilities and decisions at strategic and operational levels.

The paper is organised in five sections. Following this introduction is a review of the relevant literature covering governance and business processes. Next the Process-Governance Framework is introduced and the constituent elements of the framework are explained. The implications for business leaders are discussed. The paper ends with a summary of its salient issues.

PERSPECTIVES FROM THE LITERATURE

Current thinking on governance

Governance, in the context of this paper, is concerned with the allocation and enactment of responsibilities in organisations, and three themes in the governance literature are relevant to the argument in this paper. The themes are mode of governance, decision making in organisation and the unit of governance analysis, and salient features of each theme are summarised in Table 1.

The first theme, mode of governance, draws on the distinction between models of organisations as machines or organisms (Morgan, 1986). The implication is that there are two potential modes of governance. One mode of governance is mechanistic and the other organic (Spender and Kessler, 1995).

Mechanistic governance draws on the ideas that define a bureaucracy, namely, that decision making is rational, the organisation is goal orientated, people act within defined parameters, and control is exercised by supervisors over subordinates (in their roles) within the organisation. The mechanistic form of governance is concerned with formal arrangements at several different levels between individuals, individuals and the organisation, and between organisations. These arrangements may take the form of legal contracts, formal plans, service level agreements, role and job descriptions (Rubach and Sebor, 1998).

The organic mode of governance assumes organisations are social systems within which people participate through social activities and interactions (Spender and Kessler, 1995). The organic mode recognises politics and power systems, as people shape governance through the interplay of interests. This mode of governance is operationalised by people co-operating with one another, not because of a formal, written contract; rather people are loosely coupled through social contracts, common beliefs and a sense of organisational purpose (Spender and Kessler, 1995) (Jones et al. 1997).

The second theme relates to the principles that guide decisions taken in the organisation to increase and protect shareholder value (Williamson, 1999). Several areas that affect decisions concerning shareholder value are apparent in the literature. In the UK, the Cadbury's Code of Practice on corporate governance focused attention on, among other things, splitting the CEO/Chairman role (Cadbury Commission, 1992). The independence of directors and widening role of non-executive directors have come under scrutiny (Longstreth, 1995). Organisational information that is made public exemplified by investment decisions, financial data, legal and environmental reports have also been examined (Rubach and Sebor, 1998). These information requirements are set out in the form of legislation or regulations, for example, compliance with reporting requirements of the Securities and Exchange Commission in the US. CEO and directors compensation, in particular, the role of compensation committees, the basis of the pay increase and the linkage between the compensation package and board members equity ownership (Daily and Dalton, 1999). Another issue covered in the literature is formal and informal rules that surround CEO succession planning, as does the structure and composition of the board also receives attention (Daily and Dalton, 1999).

The third theme relates to the unit of governance analysis. The unit of analysis ranges from a supply chain to individuals. Network governance describes the dynamic changes to align activities between legally autonomous and independent organisations that engage with each other to create a product without relying on formal contracts (Jones et al. 1997). Other researchers have examined strategic alliances between two organisations, and the governance structure in the form of the formal contractual structure put in place to create and operationalise the alliance (Gulati and Singh, 1998). The organisation as a whole is also treated as a unit of analysis (Rubach and Sebor, 1998). The diversified multi national corporation with a corporate centre and SBU structure is another unit of analysis (Prahalad and Oosterveld, 1999). Multiple projects are treated as a unit of analysis and techniques for governing such projects within organisations are developed (Spender and Kessler, 1995). Groups (e.g. board of directors) and individuals (CEO's) are also treated as units of analysis (Daily and Dalton, 1999). Individuals and activities undertaken to create a product or service have been considered as a unit of analysis (Williamson, 1999).

Insert Table 1 about here

Current thinking on business processes

There is much divergence in the literature relating to the question ‘what are business processes?’ Some scholars suggest that business processes are similar to vertical functions (Ettlie and Reza, 1992) (Atkinson et al. 1997). Business processes are also conceptualised as activities that are performed in different functions in the organisation (Davies, 1991) (Euske and Player, 1996). For others a business process can either operate as a traditional function or span different functions (Davenport, 1993) (Kettinger et al. 1996). The critical flaw at the heart of these conceptualisations is that every activity in the organisation can be called a business process (Craig and Yetton, 1993).

To avoid this conceptual trap, this paper treats business process to mean the co-ordination and integration of activities performed in different functions to create outputs that are of value to one or more stakeholder (Crowston, 1997) (Hammer and Champy, 1993) (Edwards and Peppard, 1994). Hence, the characteristics specify business processes are:

- processes add value to stakeholders. In the context of this paper, the phrase ‘adds value’ means addressing external and internal stakeholders’ expectations.
- processes co-ordinate those activities that people ‘should’ undertake to address stakeholders’ expectations. The implications are that other activities currently undertaken are superfluous to a business process and a set of activities constitute a process when linked explicitly to stakeholder expectations.
- processes cross functional boundaries. This means that intra-functional/departmental operations form part of a process rather than being processes in their own right.

The critical issue that emerges from the review of the governance literature is that business processes are neglected as a unit of analysis. This silence suggests that governance, its modes and principles for taking decisions, is considered implicitly on the lines of organisational

structure. Consequently, each function adopts its own governance mode, which often impinges on the operational effectiveness of other functions. Hence, business processes that deliver value to stakeholders are sub-optimised. Each function takes decisions based upon its own criteria. This has a detrimental affect on business processes. Leaders are becoming disillusioned with the rigidity and resources ownership implications of governance that is based upon a wholly functional structure. Increasingly business leaders are adopting a process-oriented perspective to understand and manage their organisation. We argue that governance is effective where external and internal stakeholders' needs are recognised explicitly, where it is relevant to the activities people perform, and where it is considered on a cross functional basis.

The next section provides a framework that could be used to align governance with business processes.

THE PROCESS-GOVERNANCE FRAMEWORK

The framework is presented in diagram 1. It consists of two interrelated dimensions: the process perspective and the governance perspective. The framework is explained below.

Business Strategy

All commercial and increasingly, not-for-profit, organisations operate in a competitive environment (Johnson and Scholes, 1993). The competitive environment can be conceptualised in two forms (Hamel and Prahalad, 1994). The current form consists of products and services that already exist, competitors that are identified and their relative strengths and weaknesses understood, customer demands that are known, trading relationships that are in place and operate with little friction. In effect, the boundaries and structures of the competitive space are well defined.

The other form of an organisation's competitive environment is framed by an unknown future. In this form, the boundaries and structures of the competitive environment are amorphous. Products and services that deliver superior value contained in people's imagination are

developed to delight customers. Organisations attempt to redefine the fundamental nature of competition. Customer's demands become more sophisticated. Trading relationships are multifaceted where suppliers are customers and competitors, and partner all at the same time. In short, the shape of the competitive environment is emergent, mutable.

Organisations need strategies that address both forms of competitive environment (Kaplan and Norton, 1992; Leonard-Barton, 1995; Lindblom, 1959; Mintzberg, 1987; Stalk et al. 1992). Business strategies that address the current competitive environment are based upon a consideration of meeting customer needs, securing a strong position in the industry, optimising financial returns, enhancing existing competencies, and developing employees. Business strategies that deal with the shaping the emergent competitive environment set aside current assumptions and tenets about the industry. Instead, business leaders combine imagination and opportunism to shape and craft the future sources of competitive advantage in ways that best suit the organisation (Hamel and Prahalad, 1994).

Business strategies tend to be broad statements of direction and intent. Hence, from the strategies business leaders identify the business objectives to be achieved. Business objectives are specific, quantified and have timescales by which they are to be achieved.

From a governance perspective, business leaders monitor, evaluate and agree the strategic direction and business objectives that the organisation is to pursue. They also prioritise the business objectives so that resources can be directed appropriately. Business leaders ensure each objective is quantified with measurable outcomes and timescales. Business leaders and senior managers also agree that they take joint responsibility for the business objectives. The business strategy and objectives should be communicated across the organisation.

This stage of the Process-Governance Framework draws on both mechanistic and organic modes. The mechanistic mode suggests that decisions and agreements (or otherwise) are captured formally. This could manifest itself in documents that would include strategy statement, business plan, and the roles and responsibilities descriptions of the business leaders. The organic mode suggests that business leaders communicate the decisions and agreements reached. The

purpose of the communication is to ensure a common understanding of the external pressures facing the organisation, the strategy and the objectives.

Stakeholders

Stakeholders are individuals, groups or organisations that are interdependent with the organisation's strategy. Stakeholders can exert power over whether or not the organisation's strategy and objectives is achieved. The sources of stakeholder power can be financial resources, knowledge access to the media or critical competencies and capabilities. Stakeholders can be external to the organisation, e.g. customers, suppliers and regulators, and internal to the organisation, e.g. parent company and staff. Organisations identify their stakeholders by assessing which are likely to impact business objectives. However, some stakeholders are self-justifying. For example, many organisations and institutions may not select pressure groups such as Greenpeace as a stakeholder; however, Greenpeace self-select themselves as a stakeholder.

Organisations rarely have an explicit prioritisation of stakeholders. One implication is that scarce resources are stretched to address the needs of all stakeholders, resulting in all stakeholders being poorly satisfied. Another implication is stakeholders are prioritised in an ad hoc manner, with each function intent on optimising relationships with the stakeholder it has most contact with. Consequently, other stakeholders are neglected. These implications often manifest themselves in internal conflicts over allocation of resources.

In this stage of the framework it is essential for the management team to agree the stakeholders and prioritise those that are business critical. This prioritisation needs to be agreed upon, which suggests that an organic mode is more relevant.

Expectations

Stakeholders have expectations of the organisation. Expectations is an umbrella term used here to include the needs, wants, delights, legal obligations and specific requirements of the stakeholder that the organisation has to address. Stakeholders whose expectations are addressed

are either more likely to exert their power in a way that is beneficial to the organisation or minimises the deleterious use of their power over the organisation's strategy and objectives.

Once organisations identify their stakeholders' expectations they realise that there are inherent conflicts between the expectations. Moreover, while a stakeholder might well have an expectation, the organisation may not actually want to satisfy it. Hence, business leaders need to segment the stakeholders' expectations according to whether they wish to satisfy the expectation, delight the stakeholder by exceeding the expectation, modify the expectation in some way, create an expectation that the stakeholder did not know they had, or eliminate the expectation altogether. The last segment, eliminate, is often the least well managed because this requires the organisation to say 'no' to a stakeholder. Hence, expectations continue to be met even though people in the organisation know that this should cease.

From a governance perspective, business leaders need to understand stakeholder expectations and assess the extent and nature of conflicts in expectations. These conflicts need to be resolved or, at the very least, people in the existing functional structure, who are required to deliver the conflicting expectations, understand that they are attempting to meet differing expectations. Business leaders have to decide upon which expectations will be met, modified, created or eliminated. This decision can affect the allocation of resources. In order to understand fully the stakeholders' expectations, each expectation should be measured in terms that are relevant to that stakeholder. Organisations utilise a variety of measurement units, including time, cost, accuracy and quality. Business leaders need to understand the metrics attached to each measure and the extent to which their organisation is actually delivering the expectations.

Business Processes

Business processes are derived from stakeholder expectations. This characterisation precludes any and every activity in the organisation being labelled a process. For example, many organisations define processes so that they fit neatly within functional boundaries. Each function director then becomes the de facto process owner. In the shorter term this approach allows the management team to avoid messy turf and political battles. Over time, however, each process

i.e. function is redesigned in ways that make integration of the redesigned functions difficult. The adverse consequences of defining process within functions become apparent as the information systems department are asked to develop or enhance applications that meet the requirements of one function but not those of another function. Many managers admit privately that their organisation took several months, if not years, to recover from defining functions as processes.

Another technique often used to define processes begins with a map or flowchart of the current activities performed by people. These maps are often depicted in the form of swim lane diagrams, input-output. Once the map is completed, current activities are grouped together and labelled a process. Yet some of the same activities could be clustered with other activities to form a process. The basis of clustering current activities into a process is often unclear. Therefore, business leaders need to be in a position to define processes in a manner that is not arbitrary. The linkage of stakeholders' expectations to processes ensures that the scope of the processes is cross-functional. This avoids the trap of labelling individual functions and activities as processes.

Processes that are linked to stakeholder expectations and, hence, business objectives are self-renewing. This means that where an expectation of a stakeholder changes the process that meets the expectation needs to adapt accordingly. A significant and rapid shift in expectations may require the process to undergo a radical change. Similarly, where business leaders change the organisation's strategy as a consequence of shifts in the external environment or reprioritise the business objectives so too one or more processes will need to be adapted.

From a governance perspective, business leaders need to decide the basis upon which they will define business processes. This needs to be agreed formally by the business leaders. The stakeholder expectations to be addressed by each process should be documented. This ensures individuals in each process are explicitly aware of particular stakeholders' expectations they are responsible for. Business leaders also need ensure that the measures attached to each expectation and business objective are binding upon the appropriate process. This is exemplified by customers that expect deliveries in 3 days, 100% accurate bills and 100% accurate information

presented only in graphical format, then these expectations and measures have to be delivered by the process. The measures attached to each process are used to evaluate the success of the process. The measures should be specified and documented explicitly for each process. For many organisations, managing in the process dimension is still new. Business leaders also need to classify processes according to their strategic contribution (Edwards and Peppard, 1997). Business leaders also align their responsibilities to function and process dimensions (Braganza and Korac-Kakabadse, 2000). Hence, there is a greater need for a more mechanistic mode of governance, in the sense of reaching formally agreements, process documentation, written job and role descriptions, especially for business leaders and senior managers.

Activities

The term ‘activity’ incorporates the work, roles, responsibilities and tasks that one or more individuals perform as their ‘day job’. An activity is often contained in job descriptions, work profiles or individual work plans. An activity, when considered in isolation of other activities, adds only cost to an organisation. This is exemplified by an activity such as ‘take customer orders’, in spite of the high level of efficiency or effectiveness with which this activity is performed, it of and by itself is unlikely to lead to financial prosperity. The organisation will have incurred a cost (e.g. paying sales people) and received little benefit if only this activity is performed. However, once the ‘take customer orders’ activity is combined with other activities such as production, distribution and billing that the organisation adds value. This does not mean that individual activities are unimportant or that they should not be undertaken. However, it becomes apparent that performing any one activity is a cost to the organisation, until it is integrated with other activities to produce or deliver something of value to an external stakeholder. Hence, activities performed in different functions are co-ordinated and integrated in a business process, which satisfies stakeholder expectations.

Organisations often focus upon the activities currently undertaken by people. This perspective is highly introspective. Organisations that begin to flowchart current activities find people latch onto the past and the historical evolutionary developments made to their current job. Organisations have also found that people react defensively when having to expose their job to

scrutiny. As a consequence, people have difficulty to consider the ways in which the processes 'should be' operationalised in the future.

From a governance perspective, people begin by considering the activities that 'should be' co-ordinated in each process. These activities can be identified with reference to the stakeholders' expectations that are to be satisfied by the process. The 'should be' activities are located within functional boundaries. As functional activities are co-ordinated and integrated in each cross-functional process, business leaders need to understand the basis of integrating the activities.

At an operational level, for example, business leaders design a level of discretion and prescription into the activities that they and others should perform (Kakabadse and Kakabadse, 1999). This is particularly apparent when considering decisions taken to define people's roles, responsibilities and personal rewards. Most commonly people's roles, responsibilities and personal rewards are set out on a divisional, functional or departmental basis. In one international organisation individuals in the human resources function are responsible for approving and issuing contracts to purchase external consultant expertise required by the operations function. The finance function is responsible for agreeing the consultants' costs. People in each of these functions have prescribed procedures to follow, which results in three-month elapsed time to acquire expertise required by the operations function. Consequently, the operations function complains frequently that their projects are delayed or hampered because they do not have appropriate expertise when they need it.

The governance framework suggests that people's roles, responsibilities and targets are aligned to a function and process perspective. The framework requires managers to make explicit where responsibility for information rests. In many organisations, the mode of governance relating to the creation, provision and cleanliness of information is barely specified. We posit that the function-only perspective taken to define people's roles, responsibilities and personal rewards is intrinsically limited. People responsible for the activities define or agree the ways of working and identify the resources necessary to undertake each activity.

IMPLICATIONS FOR BUSINESS LEADERS

Don't rely on past governance mechanisms

Many organisations attempt to implement process orientation yet fail to grasp the governance nettle. This has led to tensions between functional activities and process needs. Invariably, the functional structure takes precedence over process orientation. This is because traditional governance mechanisms are focused solely upon the functional dimension. Hence, to implement process oriented change effectively, business leaders develop governance mechanisms that align process and function at each level of the organisation.

You are an implementor and recipient of change

At each level of the Process-Governance Framework, business leaders act in the role of implementors and recipients. They instigate changes in the strategy and objectives and are responsible for implementing changes in the organisation. It is often assumed that while business leaders initiate change, they are somehow outside the scope of any organisational change.

Business leaders are affected by the changes in several ways. These changes often require business leaders to change their style of management and their role and personal performance targets to reflect their joint ownership of the business objectives and prioritised stakeholders.

Business leaders are also affected as the balance of power at the board and senior management levels may change as a consequence of business objectives being prioritised. This often leads individuals, at business leader and senior management levels, to resist or delay the implementation of the governance mechanisms at each level of the Process-Governance Framework. The underlying messages that are sent through the organisation are that business leaders do not wish to be included in the change. This manifests itself in business leaders 'saying one thing and doing something else'. A mismatch between words and deeds leads to people adopting resistance and delay tactics, withdrawing their support from any changes, and, in

some instances, becoming cynical that business leaders are committed to making improvements to the governance of the organisation.

Business leaders can minimise the adverse affects by recognising that they too will be recipients of change. Individual members of the management team need to become sensitive to their feelings towards changes to the mode of governance, decision taking at each level of the Process-Governance Framework.

You must be willingness to redefine responsibilities

Business leaders identify objectives that the organisation resources will be focused upon. Individual board members then take responsibility for elements of each objective, and these elements are cascaded to successively lower levels of each function. Many individual board members become so focused upon achieving their element of the objective that he or she, and others in that function, this element is achieved to the detriment of other elements of the same objective.

Consequently, while the achievement of one element of the business objective is optimised, the objective as a whole is sub optimised. Consider the case of the board of an engineering organisation that wanted to increase throughput by one hundred per cent. The director responsible for engineering design streamlined the methods and operations of his function. This resulted in a larger number of designs being sent in a shorter period of time to the manufacturing function. The manufacturing director had also improved the operations of her function to increase throughput. However, throughput suffered, as each director, in response to their element of the overall objective, made improvements that were incompatible. This resulted in an increase in the number of designs being returned from manufacturing to the engineering design function. Board members had lost sight of the overall business objectives. Business leaders need to take responsibility for the overall business objectives *and* their element of each objective. This begins to ensure business leaders stay focused upon the business as a whole. The responsibility for the business objectives should be written into business leaders' performance contracts, reward and bonus systems.

Business leaders take responsibility for the activities in their function, and often, ignore activities in other functions. This leads to functions optimising their operations while neglecting the business processes. To redress this function-only focus, business leaders need to take responsibility for the business process *and* the activities in their function. This ensures, again, that business leaders are unable to improve one part of the organisation to the, sometimes inadvertent, detriment of some other part of the organisation. Again, responsibility for the business process *and* the activities in their function should be written into performance contracts, reward and bonus systems. This shared and individual responsibility for business objectives and processes can be cascaded to middle and lower management levels. Business leaders therefore have to be able to adopt a process perspective when required, and ensure functional activities for which they are responsible are aligned to the process

Clarify governance for each process

Business leaders need to guide middle and junior managers to define the governance parameters for each process. Function or departmental managers in each process allocate responsibility for the activities that form the process. An integral part of specifying responsibilities is clarifying the level of discretion individuals have. The level of discretion establishes the extent to which individuals in functions can deviate or alter their activities without referring to others in the process. High levels of discretion suggest that individuals can change fundamental attributes, such as time and cost, of activities as they choose. A process that has all activities with high or unspecified levels of discretion, over time, becomes increasingly difficult to manage. Business leaders often lose control over the organisation as each function operates to its own governance criteria. This can lead to adverse consequences when dealing with competitive and qualifying processes (Edwards & Peppard). Hence, business leaders need to balance high and low levels of discretion for activities in competitive and qualifying processes. However, processes that are underpinning in nature could have lower levels of discretion. This suggests setting out prescribed procedures for each activity from which there can be little deviation.

In addition to responsibilities, business leaders establish measures against which the performance of the activities can be assessed. Activity measures or outputs are specified for instance in terms of resource requirements, time taken for completion, frequency, cost, and quality. These measures should also be incorporated into job descriptions, performance appraisal, assessment criteria and personal rewards systems.

Hence, business leaders need to co-ordinate and balance, the mode of governance for and the decisions taken in, activities that constitute each process. From this an overall governance profile for each process can be established. The governance profile for each process will evolve over a period of time in response to changes in the environment, strategic direction and stakeholders' expectations.

SUMMARY

This paper developed the Process-Governance Framework as a way by which business leaders can allocate responsibilities that ensure the organisation can respond to strategic and environmental changes. The framework makes specific linkages between strategy, business processes, and operational activities and the governance issues that business leaders need to address to integrate the organisation at strategic and operational levels. The paper also outlined the implications that business leaders face when addressing governance.

Governance theme	Theme elements	References
Mode of governance	Mechanistic	(Spender and Kessler, 1995), (Rubach and Sebor, 1998)
	Organic	(Spender and Kessler, 1995), (Rubach and Sebor, 1998), (Jones et al. 1997)
Decision making	Shareholder value Shareholder protection Role of board members Information Succession planning Compensation	(Daily and Dalton, 1999), (Cadbury Commission, 1992), (Longstreth, 1995), (Rubach and Sebor, 1998)
Unit of analysis	Network / supply chain Strategic alliances Organisation Corporate centre and SBU Projects Groups Individuals	(Jones et al. 1997), (Gulati and Singh, 1998), (Prahalad and Oosterveld, 1999), (Spender and Kessler, 1995), (Daily and Dalton, 1999), (Williamson, 1999)

Table 1: A summary of key governance issues

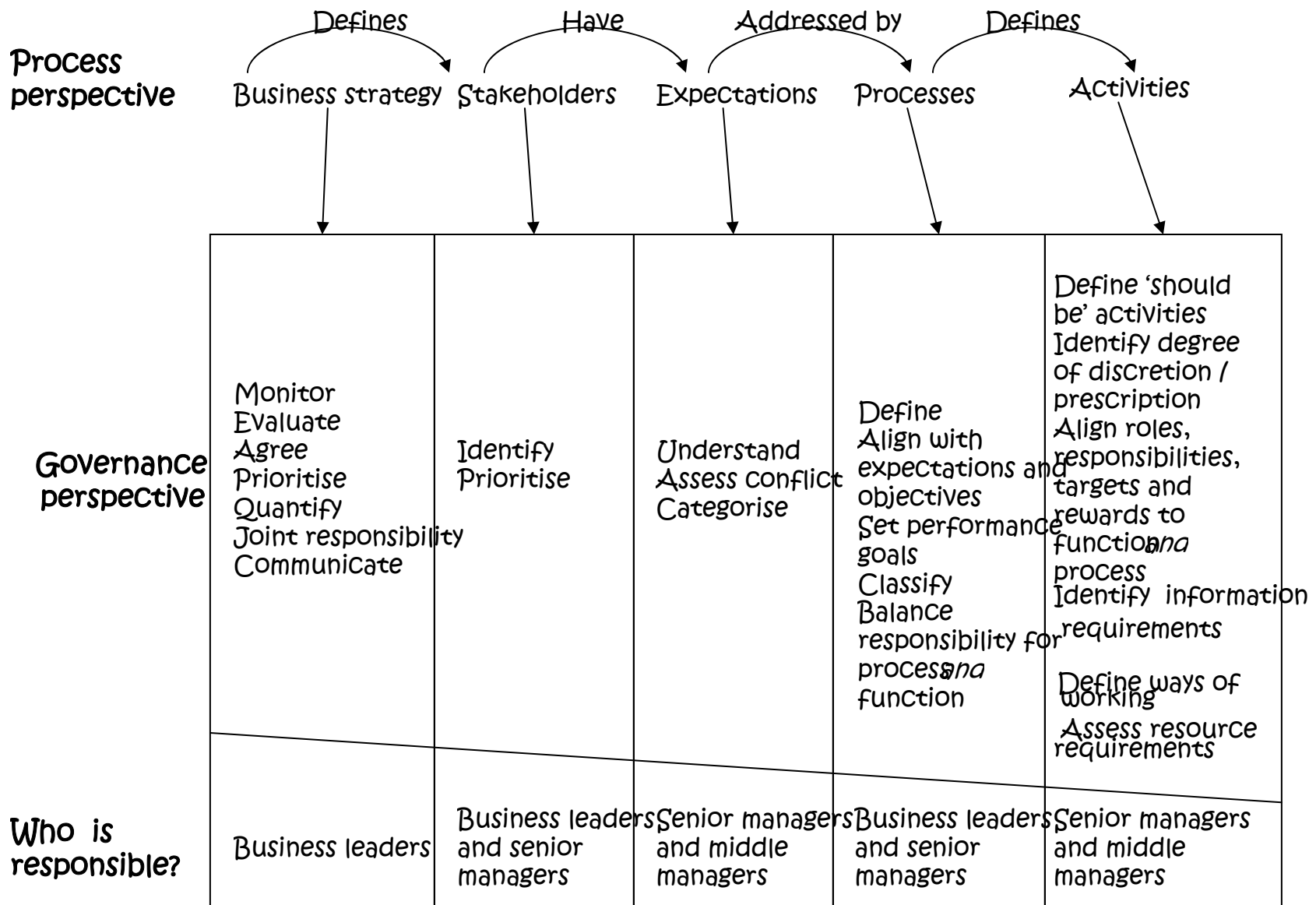


Figure 1: The Process-Governance Framework

Reference List

- Ackoff, R.L. (1989) The Circular Organization: An Update. *The Academy of Management Executive* **III**, 11-16.
- Atkinson, A.A., Waterhouse, J.H. and Wells, R.B. (1997) A Stakeholder Approach to Strategic Performance Measurement. *Sloan Management Review* **38**, 25-37.
- Bartlett, C.A. (1995) The New Global Challenge: Implementing Third-Generation Strategy Through Second-Generation Organizations with First-Generation Management. In: Ready, D.C., (Ed.) *In Charge of Change: Insights into Next-Generation Organizations*, pp. 19-33. Lexington: International Consortium for Executive Development Research]
- Braganza, A. and Korac-Kakabadse, N. (2000) Towards a function and process orientation: challenges for business leaders in the new millennium. *Strategic Change* **9**, 45-53.
- Cadbury Commission (1992) CADBURY COMMITTEE CODE OF BEST PRACTICE.
- Craig, J. and Yetton, P. (1993) Business process redesign: A critique of *Process Innovation* by Thomas Davenport as a case study in the literature. *Australian Journal of Management* **17**, 285-306.
- Crowston, K. (1997) A Coordination Theory Approach to Organizational Process Design. *Organization Science* **8**, 157-175.
- Daily, C.M. and Dalton, D.R. (1999) Corporate Governance Digest. *Business Horizons* **42**, 2-5.
- Davenport, T.H. (1993) *Process Innovation: reengineering work through information technology*, Boston: Harvard Business School Press.
- Davies, T.R.V. (1991) Information Technology and white-collar productivity. *Academy of Management Executive* **5**, 55-67.
- Earl, M. and Scott, I. (1999) What Is a Chief Knowledge Officer? *Sloan Management Review* **40**, 29-38.
- Edwards, C. and Peppard, J. (1994) Forging a Link Between Business Strategy and Business Reengineering. *European Management Journal* **12**, 407-416.
- Edwards, C. and Peppard, J. (1997) Operationalizing Strategy Through Process. *Long Range Planning* **30**, 753-767.
- Ettlie, J.E. and Reza, E.M. (1992) Organizational Integration and Process Innovation. *Academy of Management Journal* **35**, 795-827.
- Euske, K.J. and Player, R.S. (1996) Leveraging Management Improvement Techniques. *Sloan Management Review* **38**, 69-79.

- Gulati, R. and Singh, H. (1998) The architecture of cooperation: managing coordination costs and appropriation concerns in strategic alliances. *Administrative Science Quarterly* **43**, 781
- Hamel, G. and Prahalad, C.K. (1994) *Competing for the Future*, Boston: Harvard Business School Press.
- Hammer, M. and Champy, J. (1993) *Re-engineering the Corporation: A Manifesto For Business Revolution*, London: Nicholas Brealey Publishing.
- Handy, C. (1995) Trust and the Virtual Organization. *Harvard Business Review* 40-50.
- Johnson, G. and Scholes, K. (1993) *Exploring Corporate Strategy*, Third edn. Prentice Hall International (UK) Ltd.
- Jones, C., Hesterly, W.S. and Borgatti, S.P. (1997) A general theory of network governance: exchange conditions and social mechanisms. *Academy of Management Review* **22**, 911 (35)
- Kakabadse, A. and Kakabadse, N. (1999) *Essence of Leadership*, London: International Thomson.
- Kaplan, R.S. and Norton, D.P. (1992) The Balanced Scorecard - measures that drive performance. *Harvard Business Review* 71-79.
- Kettinger, W.J., Teng, J.T.C. and Guha, S. (1996) Information architectural design in business process reengineering. *Journal of Information Technology* **11**, 27-37.
- Leonard-Barton, D. (1995) *Wellsprings of Knowledge: Building and Sustaining the Sources of Innovation*, Boston: Harvard Business School Press.
- Lindblom (1959) The science of muddling through. *Public Administration Review* **19**, 79-88.
- Longstreth, B. (1995) Corporate governance: there's danger in new orthodoxies. *Journal of Portfolio Management* **21**, 47
- Mintzberg, H. (1987) Crafting strategy. *Harvard Business Review* **July-August**, 66-75.
- Mintzberg, H. (1989) *Mintzberg on Management*, New York: Free Press.
- Morgan, G. (1986) *Images of Organization*, Thousand Oaks: Sage Publications Inc.
- Prahalad, C.K. and Oosterveld, J.P. (1999) Transforming internal governance: the challenge for multinationals. *Sloan Management Review* **40**, 31-40.
- Rubach, M.J. and Sebor, T.C. (1998) Comparative corporate governance: competitive implications of an emerging convergence. *Journal of World Business* **33**, 167
- Spender, J.-C. and Kessler, E.H. (1995) Managing the uncertainties of innovation: extending Thompson. *Human Relations* **48**, 35(22)

Stalk, G., Evans, P. and Shulman, L.E. (1992) Competing on Capabilities: The New Rules of Corporate Strategy. *Harvard Business Review* **70**, 57-69.

Taylor, F. (1911) *Principles of Scientific Management*, New York: Harper & Row.

Williamson, O.E. (1999) Strategy Research: governance and competence perspectives. *Strategic Management Journal* **20**, 1087-1108.