

## Assessing the Implementation of Business Process Management on Selected Small and Medium Enterprises in Ghana

Prince Kelvin Owusu



Ghana Technology University College, Information Systems Department, Ghana. Email: powusu@gtuc.edu.gh

DOI: 10.38177/ajast.2020.4312

Article Received: 22 May 2020

Article Accepted: 27 July 2020

Article Published: 26 August 2020

### ABSTRACT

*A business' choice for using an innovation depends on looking into the variables affecting this use and its favorable circumstances. Innovation deployment significantly influences the way business is led, the optimality of asset usage and increase in the organizations competitive advantage. This research is to identify the role Business Processing Management (BPM) play in selected SMEs in Ghana. The method utilized for this investigation was the descriptive research design. This research is exclusively embraced by the utilization of secondary data. The technique for data analysis will be by the utilization of content analysis. The study revealed that the main principles of BPM implementation in the selected SMEs are commitment from management, customer priority, teamwork, and continuous improvement. The study also showed that BPM has a direct relationship with the productivity of SMEs. The main challenges of BPM on the selected SMEs are the lack of resources, lack of experience in quality management, lack of objectives and strategies, Short term objectives concerns, lack of information technology (IT) experts. Since BPM is a broad and an intense concept that needs to be taken seriously when it comes to SMEs ensuring that the firm produces a high-quality goods and services, it was recommended that SMEs needs to have IT experts who can assist in the integration of BPM in all aspect of the business activities.*

**Keywords:** Information Management, Business Process Management, Organizational performance, Information Technology.

### 1. Introduction

Small and Medium Enterprise (SMEs) undertakings are significant for the strength and financial improvement of every nation today. There are a ton of qualities where SMEs separate themselves from the bigger organizations. In Czech Republic, there were 1,103,409 lawful and physical entities falling into the classification of SMEs. Out of this number, 849,200 were physical entities and 254,209 were legal entities. SMEs measured undertakings added up to 99.84% of the absolute number of dynamic business entities in the year 2013 (Rolinek et al. 2015). The extent of representatives working in SMEs added up to 60.9% (for example 1,766 thousand workers) comparable to the workers in the whole entrepreneurial circle. In the year 2013, these organizations contributed 56.76% to the absolute worth included (MPO, 2014). Dealing with SMEs has a great deal of specific features. In a small organization, because of few representatives and administrators, various capacities are cumulated into the capabilities of just a couple of laborers (Vacek et al., 2011). Small enterprises are regular of the way that in most of them the operational administration wins, and the oral communication is more continuous than the written communication.

Business Process management (BPM) is an organized strategy for comprehension, recording, demonstrating, investigating, reproducing, executing and persistently evolving start to finish business procedures and every single applicable asset corresponding to an association's capacity to increase the value of the business. It is the present term used to exemplify a procedure driven approach to manage achieve enterprise operational productivity. BPM covers the entire business process life cycle and combines methods and procedures from different past mythologies including Business Process Re-Designing (BPR), Procedure innovation, Kaizen, Lean administration, Absolute Quality Administration and Requirement based Hypothesis. BPM utilizes current development to outfit relationship with the ability to outline/or re-model their business structures, send shapes as applications that are

facilitated with existing programming systems, and furnish administrators with the usefulness to screen, investigations, control and improve the execution of those procedures continuously. Truth be told, the BPM advertise, which incorporates all correspondence, media transmission, PC, web and programming applications that help BPM framework, was esteemed at roughly \$1.1 billion of every 2005 and is required to reach \$3.8 billion by 2012 (Chong, S., 2014). This shows the significance and global acknowledgment of BPM in the business world today.

The job of BPM in SMEs is to improve customer service and expansion progressively noticeable business bits of information. BPM is connected to robotizing work procedure and methods that may starting at now be set up, and making different customers mindful of activities that they are liable for by giving them perfect and material information expected to do the arranged development. The advantages of an effective procedure improvement exertion include better operational productivity; expanded gainfulness; better client relations; shorter procedure process durations; lower working costs; expanded responsibility; and improved market. SMEs in Ghana have not experienced the use of BPM in their business processes to streamline the process thereby eliminating any time wasting, errors, and excess cost. This study, therefore, wants to find answers to these questions: what role does BPM plays in SMEs in Ghana? What are the challenges facing the implementation of BPM in SMEs in Ghana?

## **2. Literature Review**

In this paper, the focus is to explore as far as possible the available literature on SME and BPM operation, consequently, we discuss the specifics of BPM in the SME context, something that was important for defining the “four conditions and the challenges of the sector and its importance in Ghanaian economy.

### ***A. Theoretical Review***

#### ***Resource - Based View Theory***

The Resource Based-View Theory (RBT) is widely recognized as a powerful management theory for understanding and explaining organizational performance differences (Barney et al., 2011). According to the paradigm of the RBT, organizations achieve long-term competitive advantages based on certain, e.g. valuable, inimitable, and rare, resources and capabilities (Barney, 1986, 1991; Wernerfelt, 1995). The RBT explains the differences in performance – at the business process level in terms of types of resources and capabilities. Ray et al. (2005) argue that resources and capabilities can only be of value if they are exploited in the firm’s processes. Penrose (1959) first introduced the idea that firms are a collection of their productive resources. She defined resources as “the physical things a firm buy, leases, or produces for its own use, and the people hired on terms that make them effectively part of the firm” (Penrose, 1959). Other definitions are more inclusive by defining resources as the “assets, capabilities, organizational processes, firm attributes, information, knowledge, etc.” (Barney, 1991) or “anything which could be thought of as a strength or weakness of a given firm” (Wernerfelt, 1995). According to Kraaijenbrink et al. (2009), these loose and all-inclusive definitions of the core concept of the RBT present a major weakness, because it does not allow for distinctions between resources as inputs to the firm and the capabilities that enable a firm to deploy these inputs. Other researchers have pointed out the necessity to define the distinction

between the terms resource and capability (Kraaijenbrink et al., 2009; Makadok, 2001). Helfat and Peteraf (2003) assert that the heterogeneity of resources and capabilities constitutes one of the cornerstones of the RBT. For the purposes of this paper, we follow the distinction of resources and capabilities put forth by Amit and Schoemaker (1993) and Makadok (2001). In line with Amit and Schoemaker (1993), we define the “firm’s resources as stocks of available factors that are owned or controlled by the firm”.

### ***B. Definition of Small and Medium Enterprise***

The SME territory is extremely shapeless and, as such, contradicts a direct definition. There is no single reliably satisfactory significance of little firms (Hustad & Olsen, 2014). Also, there is no broad definition for SMEs since the definition depends upon who is describing it and where it is being portrayed. These associations differentiate in their level of capitalization, business and pay. Therefore, definitions which use extents of size (all out resources, advantage, turnover, number of laborers, etc.) when applied to one section could incite all associations being arranged as meager, while a comparable size definition when applied to a substitute region could provoke remarkable outcomes.

### ***C. Definition of Business Process Management***

Business process management is devoted to examining, structuring, actualizing, and persistently improving hierarchical procedures (Just, 2020). While early commitments were concentrating on the (re-)plan of single procedures, contemporary research requires an increasingly all-encompassing perspective on the administration of hierarchical procedures. Keeping that in mind, business process the executives is comprehended as an incorporated arrangement of corporate abilities identified with vital arrangement, administration, strategies, innovation, individuals, and culture (Meidan, García-García, Escalona & Ramos, 2017).

### ***D. The Role Business Process Management Play in SMEs***

Small and Medium Enterprises (SMEs) including Micro enterprises play a major role in developing nations especially in the areas of employment and wealth creation throughout the world (Fiseha & Oyelana, 2015). The SME area is contributing massively to economic development, even more significantly to business and occupation creation in both developed and developing countries. Because of the created and transitional economies, it was presumed that SMEs gave 60-70 percent of work in those economies. Developing countries were with the view that SMEs offered around 45 percent of absolute business and 33 percent improving the expectation for everyday comforts of the greater part of the low-salary family units in the nation (Braunnagel, Falk, Wehner & Leist, 2016). Besides, the area contributes about 71percent to work and records for around 92 percent of associations in Ghana separately.

The SMEs division in Ghana in like manner, used 85 percent of gathering work power who are deficiently passed on over the territories recollecting the provincial and urban settlements for the country. This makes the SMEs division the most noteworthy region in the Ghanaian economy for game plan makers, advancement specialists and system pioneers to continue beginning, make and direct even disapproved of frameworks to improve the fragment (Karras & Papademetriou, 2017).

### ***E. Challenges of SMEs in implementing Business Process Management***

The changing economic condition has prompted an expanding enthusiasm among SMEs in improving authoritative business procedures to upgrade execution (Taleb & Renuka, 2018) affirms that there ought to be more accentuation on BPM in SME setting and calls attention to, a critical number of associations received some type of BPM due to consistence with industry norms, such activities don't prompt productive BPM appropriation and the main result of such activity stays an endorsement about industry standard consistence on the mass of association's Headquarters. This for the most part happens on the grounds that the organization the board does not have a clue how to use the yield done during BPM investigation (Imanipour, Talebi & Rezazadeh, 2012). Various study has various thoughts regarding BPM's prosperity rate. It is for the most part a result of different investigations focusses on various ventures, size, timetables, extensions and research strategies. Some determined the achievement rate about 65% and communicated their interests about multifaceted nature and costs of BPM selection while others determined achievement pace of as high as 90% and saw BPM arrangements, faster and progressively versatile concerning their execution and modification (Singer, 2015). Universally, organizations are considering process development and the executives' activities to stay serious. In past investigations, BPM activities have generally been applied and concentrated with regards to bigger associations, anyway its procedure driven methodology could likewise be powerful when applied to little and medium measured endeavors. The idea of BPM appropriation is head to different affiliations and firms and this assortment, accentuates advancement of explicit business process Improvement procedures and strategies for BPM reception and execution (Dumas, La Rosa, Mendling & Reijers, 2018).

Most SMEs still utilize practical techniques for speculation and overseeing, a lot to the hindrance of the drawn-out endurance of their enterprises. SMEs additionally face more serious hazard and weight in settling on selection choices, getting to prepare, or gather pertinent data on BPM because of asset requirements.

## **3. Research Methodology**

### **A. Research Design**

The study utilized for this investigation is the descriptive research design. The researcher picked descriptive research design because of the reality the examination is worried about specific expectations, portrayal of facts and qualities concerning people and organizations (Schwartz-Shea & Yanow, 2013). The descriptive research design is the kind of designs that guarantees rigidity nature and spotlights on the segments of the objectives of the study.

The research population was on the business process management system of chose SMEs in the Greater Accra Region. This populace was picked considering simplicity of availability and large number of SMEs sited in this area. This helped us to have a representative sample for our study. Taking all things together, an example of 5 organizations was chosen dependent on their accessibility, ability to take part, time and money related imperatives. The sample was chosen as per the objectives of the study. This examination is exclusively embraced by the utilization of secondary data. The web gave off an impression of being the source of secondary data used in this research. Other information was additionally acquired from papers, course readings, and different magazines.

The technique for data analysis will be by the utilization of content analysis. This is what will be utilized to break down the objectives of this research due to the kind of data to be dissected, secondary data. There is a great deal of studies that have been led with similar key factors of BPM and the chosen SMEs. This in this way implies the data in this study send a great deal of writing to widen and reinforce the conclusions to be given (Collis & Hussey, 2013). The study would likewise guarantee that the previously existing written works are based on by the utilization of content.

#### **4. Discussions of Findings**

This part explicitly investigates the outcomes and findings that were obtained toward the finish of the studies. All the different objectives of this study are analyzed by the utilization of content analysis with no demographic attributes.

##### ***A. The main principles of the implementation of BPM in selected SMEs***

With the analysis of the secondary data so as to acquire the fundamental standards of BPM on chose SMEs, the scientist investigated such a significant number of written works and high esteemed works of some prestigious researchers who led comparative examinations on the execution of BPM on chose SMEs. Rosemann and vom Brocke, (2015) attempted an examination with respect to BPM and its certified standards, they deteriorated BPM into six basic 'center' components. Every one of these components speaks to a basic achievement factor for BPM usage, and they all must be tended to appropriately for its effective and economical sending. The six components give an all-encompassing comprehension of Business Procedure management (Imanipour, Talebi & Rezazadeh, 2012).

They clarified that dedication from the board is a key when managing BPM. This is on the grounds that the administration arranges all the issues of the business, thus they should be focused on their assignments. The analyst again evaluated crafted by (Röglinger, Pöppelbuß and Becker, 2012) and identified that they clarified the TQM Catch 22 by process quality through to HR the executives. It is in this way comprehended the four most observable TQM standards are duty from the board, client need, cooperation, and consistent improvement.

##### ***B. The effect of BPM implementation on selected SMEs***

To determine the effect of BPM implementation on selected SMES, the researcher considered the work Rosemann and vom Brocke (2015) indicated in their study that BPM has a significant effect on the selected SMES. They further explained that if a company does not implement any BPM element the possibility of the organization collapsing is very high. The researchers concluded that there is a direct relationship between BPM and the selected SMEs. Rosemann and vom Brocke (2015) explained in their work that BPM when implemented the right way will enable businesses to produce quality goods and services which will lead to higher productivity. They concluded that BPM affects SMES positively.

The researcher reviewed the work of Dudu and Agwu (2014). They stipulated that according to the number of surveys they had conducted they could establish that BPM has a direct relationship with productivity; this explains that if BPM rightly implemented productivity increases.

### ***C. Challenges of BPM implementation on selected SMEs***

In the determination of the challenges of BPM on those SMEs the analysts read a ton of chips away at numerous writers, for example, Giacosa, Mazzoleni & Usai, (2018) and Pejić Bach, Bosilj Vukšić, Suša Vugec & Stjepić (2019) who perceived that particular SMEs' attributes are itself a hindrance to effective BPM usage. Different creators bring up that family-claimed organizations do not know about the significance of BPM for dynamic. Be that as it may, SMEs' requirement for BPM execution differs across ventures, which demonstrates that it could be fascinating to analyze BPM activities in explicit enterprises. Serious weight is viewed as a driver of BPM presentation for SMEs. Giacosa et al (2018) underline that SMEs family firms much of the time receive process association, consequently closing: 'families decidedly sway BPM practice by exploiting their certainty and flexibility'. Reher (2018) sums up the boundaries to BPM usage in SMEs, underscoring 'the negative job of traditionalist conduct, hazard avoidance, director's attention on day by day exercises and entrepreneurial data preparing. Giacosa (2018) explained that BPM has numerous challenges ranging from lack of resources, absence of involvement with quality administration, absence of targets and methodologies, Short term goals concerns.

### **5. Conclusion**

This summarizes all the findings obtained by the researcher. It shows the various conclusions deduced from the various analysis. It also recommends for future studies to be conducted with regards to the subject matter.

#### ***Summary of findings***

This study's first objective is to decide the fundamental standards of the usage of BPM in those SMEs. The analyst took information from some eminent researchers who made genuine ends in their looks into Rosemann and vom Brocke (2015) attempted an investigation with respect to BPM and its veritable standards; they built up that responsibility from top level administration, ceaseless improvement from the executives, and profitability are the fundamental rules that lead to BPM. They focused on that no BPM execution has ever effective without the sharp duty of top level administration Rosemann and vom Brocke (2015) included that administration ought to consistently guarantee improvement in their exercises and that of the subordinates so as to guarantee the best possible usage of BPM, which will thus prompt higher profitability. Rosemann and vom Brocke (2015): The six variables give an all-encompassing comprehension of Business Procedure (De Bruin, 2009) and these are key arrangement, administration, strategies, data innovation, Individuals, and culture. That shape procedure is related perspectives and conduct to improve business execution.

The second objective of the study is to look at the impact of BPM on the company's efficiency in the accommodation of business. In the wake of contemplating the consequences of certain researchers, the specialist found that there is an immediate connection between BPM usage and the chosen SMEs. A few researchers built up that BPM significantly affects profitability (Rosemann and vom Brocke, 2015). They further clarified that if an organization does not execute any BPM component in their business process the chance of the organization collapsing is very high. They therefore concluded that there is a direct relationship between BPM and productivity. One other group of researchers explained that BPM when implemented the right way will enable businesses to

produce quality goods and services which will lead to high productivity and profitability. They concluded that BPM affects organization growth. The researcher again took some data from the work of two other researchers. They stipulated that according to the number of surveys they had conducted they could establish that Business process management has a direct relationship with SMEs growth; this explains that if BPM increases productivity increases.

The third objective of this examination is to decide the challenges of BPM execution on chose SMES. The researcher broke down such huge numbers of works and summed up the discoveries as follows: Boakye (2011), expressed that the fundamental difficulties of BPM is specific SMEs' qualities are itself a hindrance to effective BPM execution. Giacosa et al (2018) accentuate that SMEs family firms frequently embrace process of organization, thus concluding: 'families decidedly sway BPM practice by exploiting their certainty and versatility'. Reher (2018) sums up the hindrances to BPM usage in SMEs, underlining 'the negative role of conservative behavior, risk aversion manager's focus on daily activities and opportunistic information processing.'

In conclusion, this study sought to analyze the effect of BPM implementation on selected SMEs. The conclusions drawn after the various analyses from the various secondary data obtained are as follows; after the data obtained the researcher concluded that the main principles of BPM implementation of selected SMES are commitment from management, customer priority, teamwork, and continuous improvement. Business process management is a broad and an intense concept that needs to be taken seriously in the implementation of SMES. To ensure that you produce a high-quality goods and services the above BPM principles should not be overlooked in any SME setting. In the examination of the effects of BPM implementation of selected SMES, all the data the researcher collected were very certain of their results. All the literature stipulated the BPM has a direct relationship with the productivity of SMES. This means that if the Business Process Management increases in organization productivity will increase. The challenges of BPM implementation on selected SMES are numerous, and after the data analysis the researcher concluded that the main challenges of BPM on the selected SMES are the lack of resources, lack of experience in quality management, lack of objectives and strategies, Short term objectives concerns.

*Based on the findings and conclusions, the study recommends the following:*

Since, business process management is a broad and an intense concept that needs to be taken seriously in the implementation of SMES, to ensure that the firm produces a high-quality goods and services the above BPM principles should not be overlooked in any SME setting.

Despite the direct positive relationship between BPM and performance of SMEs, there are still challenges in making sure that the BPM is quite effective. In view of this, it is recommendable for the organizations to make sure that these challenges are managed in such a way that they would not influence the performance of the organization negatively.

## References

Adad, A. O. (2016). Business Process Improvement and Operational Efficiency of Microfinance Institutions In Kenya (Doctoral dissertation, University of Nairobi).

- Bauwens, C., & Van Dorpe, T. (2018). Business Process Management in SMEs.
- Braunnagel, D., Falk, T., Wehner, B., & Leist, S. (2016). BPM adoption in small and medium-sized companies in Bavaria.
- Brocke, J. V., & Rosemann, M. (2015). Business process management. Wiley encyclopedia of management, 1-9.
- Chiwara, O. M. (2016). An evaluation of the factors affecting growth of small and medium enterprises (SMEs) in Zimbabwe: A case study of SMEs in Harare (2009–2015).
- Collis, J., & Hussey, R. (2013). Business research: A practical guide for undergraduate and postgraduate students. Macmillan International Higher Education.
- Dumas, M., La Rosa, M., Mendling, J., & Reijers, H. A. (2018). BPM as an Enterprise Capability. In *Fundamentals of Business Process Management* (pp. 475-500). Springer, Berlin, Heidelberg.
- Fiseha, G. G., & Oyelana, A. A. (2015). An assessment of the roles of small and medium enterprises (SMEs) in the local economic development (LED) in South Africa. *Journal of Economics*, 6(3), 280-290.
- Giacosa, E., Mazzoleni, A., & Usai, A. (2018). Business process management (BPM). *Business Process Management Journal*.
- Hustad, E., & Olsen, D. H. (2014). ERP implementation in an SME: A failure case information systems for small and medium-sized enterprises (pp. 213–228).
- Imanipour, N., Talebi, K., & Rezazadeh, S. (2012). Obstacles in business process management (BPM) implementation and adoption in SMEs. Available at SSRN 1990609.
- Just, V. (2020). *Sustainable Business Processes in Global Companies*. Springer Fachmedien Wiesbaden.
- Karras, D., & Papademetriou, R. (2017, June). A systematic review of analytical management techniques in business process modelling for smes beyond what-if-analysis and towards a framework for integrating them with BPM. In *The 7th International Symposium on Business Modeling and Software Design* (pp. 99-110). SciTePress.
- Kohlborn, T., Mueller, O., Poepelbuss, J., & Roeglinger, M. (2014). New frontiers in business process management (BPM). *Business Process Management Journal*.
- Mbugua, T. M. (2013). Business process management adoption by custody and share registrars in Kenya.
- Meidan, A., García-García, J. A., Escalona, M. J., & Ramos, I. (2017). A survey on business processes management suites. *Computer Standards & Interfaces*, 51, 71-86.
- Pejić Bach, M., Bosilj Vukšić, V., Suša Vugec, D., & Stjepić, A. M. (2019). BPM and BI in SMEs: The role of BPM/BI alignment in organizational performance. *International Journal of Engineering Business Management*, 11, 1847979019874182.
- Röglinger, M., Pöppelbuß, J., & Becker, J. (2012). Maturity models in business process management. *Business process management journal*.

Rolinek, L., Plevny, M., Kubecova, J., Kopta, D., Rost, M., Vrchota, J., & Marikova, M. (2015). Level of process management implementation in SMEs and some related implications. *Trans Bus Econ*, 14(2A), 360-377.

Schwartz-Shea, P., & Yanow, D. (2013). *Interpretive research design: Concepts and processes*. Routledge.

Singer, R. (2015, April). Business process management in small-and medium-sized enterprises: an empirical study. In *Proceedings of the 7th International Conference on Subject-Oriented Business Process Management* (pp. 1-8).

Soliman, W., & Tuunainen, V. K. (2015). Understanding continued use of crowdsourcing systems: An interpretive study. *Journal of theoretical and applied electronic commerce research*, 10(1), 1-18.

Taleb, S., & Renuka, V. (2018). Dynamic Capabilities-Based Approach to Small and Medium Enterprises (SMEs) Internationalization. *International Journal of Multidisciplinary Research and Studies*, 1(01), 14-22.