

# Developing Connections among the Elements in a Management System: An Approach for Sustaining Results

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## Introduction

It is a given that in order to maintain a competitive edge, organizations must respond quickly and effectively to changes in their business environments.

Anthony Stafford Beer defines cybernetics as the science of effective organization. He postulated that companies are like people: they have a 'brain' with a 'central nervous system', and many business problems are rooted in the lack of a clear understanding of how their parts function.

To move from an analytical to a systemic approach, organizations must shift from focusing on individual examination of each of their parts to an analysis of all of their elements and the interactions among them.

The author of *THE FIFTH DISCIPLINE*, Peter Senge says that, in order to understand more complex managerial matters, it is necessary to view the entire system. To illustrate, he recounts a Muslim fable: three blind men meet an elephant. "This is something large and rough, broad and wide, like a rug," says the first, holding one of its ears. The second, grasping its trunk says: "I know what it is: it is a straight hollow pipe." And the third, clasping a front leg, says: "It is solid and firm, like a column." The fable ends with an interesting remark: "The beliefs of these men would never indicate what an elephant really is."

## Organizations and their Elements

The elements of organizations form a huge jigsaw puzzle. Companies that can visualize their architecture, demarcate their contours, and identify their internal and external connections will have a distinct competitive advantage over competitors that have not yet developed these tools. In order to do so, companies need to develop a systemic overview of the organization.

However, it is not enough to merely identify connections among all the organizational elements. In order to ensure its ongoing survival; mechanisms must also be developed to maintain this synergy..

In the event that the external – or even the internal – environment affects one an element in the management system, causing it to be out of line with other elements, the connection must be reestablished to return to the synergistic state. For the reconnection to take place quickly, the organization must develop mechanisms that can identify that a problem exists, where it exists, and immediately rebuild the connection.

## The case study

Over the past ten years, several maturity and excellence models have been developed to assess an organization's management systems. Most of these models determine the maturity of an organization by examining the organization's attributes, management practices and / or capabilities, and then scoring them to see where the organization falls on the maturity scale.

However, in excellence models as well as maturity models, interactions among the assessed elements are not clearly addressed. We recognize that the concepts underpinning these models

are based on a systematic approach, but individual analysis of the attributes, management capabilities and/or practices does not make this concept clear. Only as the organization's maturity level progresses beyond early levels are they able to manage these connections.

The main purpose of this case study is to present a diagnostic model for determining the maturity of management systems in terms of the level of connection among the elements in the system. The companies addressed by the study are members of the Advanced Management Forum which comprises large corporations representing a variety of industries including energy, chemical, and aviation industries.

The level of development and the connections among the elements were analyzed through responses to questions exploring the identification, connection level, and support capacity in the following dimensions: Strategy, Process Architecture, Governance, Management, Technology, and People.

<b>Dimensions</b>	<b>Connections</b>
Strategy	Strategic objectives with organizational efforts
	Management by processes with stakeholder goals
	Functional management with management by processes
	Performance indicators with strategic objectives
	Processes with their products/services.
Process Architecture	Value chain with value flows
	Value flows with macro-processes and processes
	Process Mapping with standardized notation
	Processes with their documentation and standardization
	Processes with competences
	Processes with systems
Governance	Governance with policies and principles
	Macro-processes with managers
	Governance with responsibilities, rules, process for management by process, decision taking structure and goals of management by processes
	Governance with its structure and mapping
	Governance with management support processes
	Governance with management control mechanisms
	Governance with mechanism appraisal mechanisms
	Governance with organizational structure
Management	Management cycles with performance indicators
	Management cycles with value chain
	Management cycles with value flows, macro-processes and processes
Technology	IT architecture with Business Process Management (BPM) tools
	Applications framework with processes
	IT architecture with Service-Oriented Architecture (SOA)
	IT Strategy with Business Process Management (BPM) strategy

	Business Process Management System (BPMS) with Business Activities Monitoring (BAM), business rules and case management
People	Competences with processes
	People with understanding of the Business Process Management (BPM) concept
	Process managers with performance metrics
	People with teamwork
	People with change management
	People with knowledge management

**Table 1: Table of connections among the elements by dimensions**

Each item of figure 1 was scored on a scale of 1 (no connection) to 5 (strong connection). The arithmetic averages were calculated for each dimension, with the outcomes presented below:



**Figure 1: Case study outcomes**

## Conclusions from Case Study:

1. Companies "E" and "D" presented a higher level of alignment among the dimensions, which may reflect a higher level of maturity in terms of systemic overviews. However, Company D did not rank management enablers (people and technology) higher, which may give rise to difficulties over the medium and long terms, for the progress of management cycles.
2. A low level for technology in all the companies may reflect a lag between IT and Business, in terms of management support tools.
3. Even in corporations such as Companies "B" and "F", where the Governance dimension scored high, management cycles failed to keep pace with this progress, which may be related to the need to develop a technological enabler.
4. In Company "C" Strategic Alignment scored higher than the other dimensions, which may reflect a break-out of the objectives through a functional approach, rather than one based on processes.
5. Companies A, E, C and D did not score the Governance dimension (structuring) higher than the others. This may give rise to problems in terms of maintaining the progress achieved in the management system.

## Final Conclusion:

The systemic view developed by an organization is critical to the success of its strategic goals. Establishing and maintaining connections among the elements in the management system must be perceived as the way to upgrade and sustain results.

## References

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