### Chapter 3

# Deriving a Multi-Theoretical Framework for BPS Research

### **ABSTRACT**

When it comes to developing theoretical foundations for such complex things as business process standardization or business process management researchers agree that no single theory is capable of explaining all phenomena that occur. The authors agree with that perspective and propose a multi-theoretical framework for BPS research by combining the Resource-Based View (RBV) of the firm with Dynamic Capabilities (DC) theory and some selected dynamic capabilities to conceptualize the specific requirements of BPS. Hence, the goal of this chapter is to lay out solid theoretical foundations for research on BPS. In a first step, the authors define the research context. Then several established theoretical lenses are presented, and finally, they are combined into a multi-theoretical framework for BPS research.

No theory in economics is ever exactly true. The important question is not whether or not a theory is true but whether it offers a useful insight in explaining an economic phenomenon. (Hal Varian, 1989)

### 3.1 RESEARCH CONTEXT

Theories are nets to catch what we call 'the world': to rationalize, to explain, and to master it. We endeavor to make the mesh even finer and finer. (Sir Karl Raimund Popper, 1959)

Within this book we focus on analyzing business process standards and business process standardization within the boundaries of a preselected focal

organization – disregarding interorganizational standards and standardization (for interorganizational standards and standardization compare e.g. Bala and Venkatesh (2007); Boh et al. (2008)). Having selected a focal organization we are interested in national, regional and international configurations, e.g. locations, units, etc. which might be spread across countries or even geographies (compare Figure 1).

Within the boundaries of such a preselected focal organization we aim at analyzing the BPS value creation on selected consequences/value dimensions (e.g. business process performance or business process flexibility) and as an outlook in the further research chapter – besides identifying drivers/antecedents of BPS – to shed light onto

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Research focus Type of **Process** Architecture Product Compatibility standard standards standards standards standards Inter-Intra-Organizational organiorganireach zational zational Geographical Regional National International reach

Figure 1. Focus on process standards in interorganizational settings on national, regional and international level

identifiable contingencies between the presence or absence of selected drivers/antecedents on the one hand and the results on the respective BPS value generation on the other hand.

The starting point to conceptualize our research context is the IT business value model that has been developed by Melville et al. (2004), summarizes several earlier models and is based on the Resource Based View (RBV) (compare section 3.2.1) of the firm. Their integrative model of IT business value (compare Figure 2) comprises three domains: 1) the focal firm, which stands for the organization that invests in and deploys IT resources and conducts the IT business value generation process (IT and complementary organizational resources build or improve business processes,

these processes then impact the business process performance and organizational performance consecutively), 2) the competitive environment, which includes industry characteristics and trading partners, and 3) the macro environment including country characteristics. The level of observation are business processes which in the sense of the RBV "provide a context within which to examine the locus of direct resource exploitation." (p. 296)

Although for our purpose we do not want to exclusively focus on IT value generation – as did Melville et al. (2004)– their IT business value model comprises several elements which are transferable to the BPS value generation that we highlight in the following:

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