

## IMPROVING THE MANAGEMENT SYSTEM BASED ON THE PROCESS APPROACH

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Since contemporary business environment has become more dynamic and uncertainty, most companies are experiencing a fundamental shift in the rules of competition. The old, dominant business logic focusing on stability seeking and uncertainty avoidance may be inadequate for firms to respond to this rapidly changing environment [9]. Indeed, this fast growing economics calls for a strategy based on three intertwined elements: low cost, high quality and fast and flexible response to customer needs [18]. Thus, only firms possessing the capability of being aligned and efficient in their management of today's business demands while simultaneously adaptive to changes in the environment are more likely to success [13].

As enterprises are increasingly recognizing the strategic importance of quality management [3] and information technology [8], process-based management practice has become very popular throughout these years [6]. Consequently, a number of studies interesting in process's role in business value creation have appeared - especially in the context of IT-enabled business value [12]. It has been widely accepted that business process management (BPM) can contribute a lot to improve manufacturing efficiency [2] and much of literatures on BPR also embraced this "seek efficiency" view to achieve the value of BPM [18]. However, as business competitive environment has become more intensive, the need for dual capabilities also arises in the context of focusing on BPM.

Business process management (BPM) has been referred to as a "holistic management" approach to aligning an organization's business processes with the wants and needs of clients. BPM uses a systematic approach in an attempt to continuously improve business effectiveness and efficiency while striving for innovation, flexibility, and integration with technology. Process management is the application of knowledge, skills, tools, techniques and systems to define, visualize, measure, control, report and improve processes with the goal to meet customer requirements profitably.

So, the article is aimed to provide analysis of Process Management in organizations nowadays. The issue of Process Management presented in articles by M. Kohlbacher, R. Xie, H. Ling and Ch. Zhang and our Russian authors O.L. Vishnyakov and N.E. Rybchenko.

M. Kohlbacher writes about process-orientated organizations. A process-oriented organization is also often referred to as "horizontal organization", "process centered organization" [5], "process enterprise" [7], "process focused organization" [4] or simply "process organization" [13]. A process-oriented or-

ganization comprehensively applies the concept of business process management (BPM). A firm which adopted the process-view of its organization, regardless of whether it has already run through business process reengineering (BPR) and/or process improvement projects or not, is concerned with the management of its business processes [1].

The main opportunities and advantages which allow obtaining process orientation can be:

- better transparency: the organization and/or business processes became more transparent and understandable. This leads to better identification of organizational problems and their causes. In particular, by applying process performance measurement, arising problems can be identified and counter measures can be initiated very quickly.

- clear responsibilities: the process owner role terminating many unclarities caused by fragmented and/or blurry accountability.

- efficiency/productivity: non value-adding activities are better identified and can be called into question.

- clear structure, tidiness, and clear organizational interfaces.

- improvement of product quality.

- process speed improvements.

- better customer orientation, since the firm's business processes are aligned with the needs of the internal and/or external customer.

- cross-departmental thinking, better collaboration between departments.

- improvement of financial performance.

- higher customer satisfaction [10].

Another view has scientists from Chinese Fudan University: Dong Xie, Hong Ling and Cheng Zhang. They consider the effect of business process management on firm performance: an ambidexterity perspective.

Organizational ambidexterity refers to an organization's ability to be efficient in its management of today's business and also adaptable for coping with tomorrow's changing demand. Just as being ambidextrous means being able to use both the left and right hand equally, organizational ambidexterity requires the organizations to use both exploration and exploitation techniques to be successful.

The scientists expect a firm can generate better business value when reaching a balance between efficiency-orientation and flexibility-orientation in business process management practices. Therefore they have the following proposition:

Proposition 1. A higher level of business process ambidexterity will lead to a higher level of organizational competitive performance.

Proposition 2. A higher level of organizational IT capability in business process management will lead to a higher level of business process ambidexterity.

Proposition 3. A higher level of business process goals management capability will lead to a higher level of business process ambidexterity.

Proposition 4. A higher level of business process rules management capability will lead to a higher level of business process ambidexterity.

This model provides a starting point for future research on how firms can outperform their competitors with process management approach both in the short and long run [11].

Russian authors O.L. Vishnyakov and N.E. Rybchenko provide a comparison between functional and process approach to management.

The company's management system, as a rule, still has a strong functional orientation that which often leads to a number of problems. For example, the transition from one stage of development to another may be accompanied by serious organizational, managerial and technological challenges, such as: partial loss of control over the business owners, reducing the efficiency of the organization, conflict of interest and the intersection of the spheres of influence of businesses and the integrated companies.

Dynamics of changes in the external environment of the organization suggests that in modern conditions companies should pay great attention to the introduction of mechanisms of own development to the effective use of external environment and internal resources and structures.

Traditional functional approach to management based on the fact that the activity of the company is considering a combination of actions of individual elements of linear functional hierarchy.

Process approach considers the activity of Firms as a set of business processes, "penetrating" the elements of the organizational structure.

Improving the management system based on the process approach is the formulation of the company within the regular management control mechanism based on the system representation of the organization as a set of business processes. Is the detuning of the organization and its interaction with the external environment in order to maximize the use of new opportunities and threats on the one hand and effective use of internal resources of the organization - on the other.

Improve management system of the company is a large and profound transformation of its operations as a single complex. Effective restructuring of the management system, as a rule, leads to a significant increase in the Company's adaptability to changes in the external environment, effective use of the opportunities, prevent threats, improve coordination and efficiency of the overall activities of the company in both

the short and the long term (in the case of introducing a mechanism to improve the system of management) perspective.

In conclusion one must depict the above presented material will be used for future research diploma work, for further scientific development

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