

Chapter 1

Modern Approaches for Organizational Dynamism: Business Processes and Business Process Orientation

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ABSTRACT

This chapter primarily provides a thorough account of what the process perspective encompasses to address the attention that business processes perspective in today's postmodern organizations attracts. It exhibits how organizations designed around business processes are able to become more agile, competitive, dynamic, flexible, and adaptable to constantly shifting market realities. Accordingly, this chapter also covers the underlying logic behind business process orientation (BPO) as a comprehensive view of the process perspective. As BPO is thought to offer an integrated approach that encompasses structures of the organizations, their information technology systems and strategies, it is considered to possess qualities that will continuously create value for the global market.

INTRODUCTION

The current marketplace that the organizations try to endure in has become very complex, instable, unforeseeable and fiercely competitive due to globalization, technological advances along with the proliferation of e-commerce activities. For instance, McCormack (2001) observes that organizations have to play against fierce

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global competition, demanding customers with promptly shifting desires, decreasing response times, shorter product life cycles and employees with ever-changing requirements. He adds that all the comfortable corporate frictions such as geographical distance, price opacity, unquestioning brand allegiance that preserved organizational inefficiencies and status quo jobs are quickly disappearing (McCormack, 2001: 51).

To address these issues, the management literature prescribes organizations to become more agile, dynamic, flexible, adaptive and responsive if they are to survive and differentiate themselves from global competition. Apart from the managerial, financial and operational challenges, the fulfillment of this prescription has become a challenge within the widely accepted framework of hierarchic structures. The reason for this challenge lies behind Taylor's legacy of job specialization as an instrument to increase efficiency and productivity. As technological progress became widely available, the scale and scope of what humanity can create has reached tremendous levels. Thus, organizations lean towards even further specialization which unfortunately causes every task of each job to become more co-dependent on each other in order to be completed. Evidently, this keeps injecting complexity into the ways of conducting business within hierarchical structures.

Max Weber had laid the principles of functionalism, departmentalization and hierarchic organization which were widely adopted both by public and private organizations (Mulder, 2017). Those "reliable" bureaucratic structures are no longer adept in handling the constantly changing complexity, making sense of the information stemming from specialization and utilizing it efficiently and promptly. Gulick's (1937) classification of the functional management patterns, POSDCORB (Planning, Organizing, Staffing, Directing, Coordinating, Reporting, Budgeting), which serve the complex production/service provision processes of industries, has been moving constantly towards incorporating more and more execution of work. The sequentially dependent tasks and managerial levels of classical business administration, the chain-of-command approach coupled with the fixation of trying to gather every bit of information at the top levels of hierarchies hinder the indispensable maneuverability that is needed in order to survive under current circumstances.

Today, the requirements for fast production and marketing in ambiguous business environments require empowerment of lower levels of specialized staff, which compels organizations to become more horizontal. Consequently, as a response to increasing competition and more demanding customers, various authors have suggested companies to put less emphasis on hierarchical and functional structures, but instead focus and improve on entire chains of business operations, ranging often from client to client (Reijers, 2006:392). Thus, depending upon the complexity of the triggers from the internal and external business environment, business leaders may engage in doing things better through incremental improvements within the existing organizational structure and processes or introduce radical and transformational

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