

Chapter 25

Management Practices for Processes Optimization: Case of Slovenia

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ABSTRACT

The main purpose of this paper is to examine utilization of management practices in Slovenian industrial organizations. The focus is on examination of the level of utilization of management practices in industrial organizations and comparison to the level and pattern of use with Slovenian organizations in services. The paper discusses the role and importance of typical industrial practices for processes optimization and processes outcomes. Research results reveal that employees in industrial organizations significantly more use management practice to support their processes than those employees working in services organizations. Also the pattern of management practices utilization in industrial and service organizations is rather different. The sample for this study includes 357 responses from employees in Slovenian organizations. In discussion we addressed the link between management practices and processes optimizations, while in practical implications are outlined suggestions how to use management practices in order to improve performance of industrial processes.

INTRODUCTION

In current economic conditions, processes improvement has become an important research stream, which help organizations retain and/or increase their competitiveness (Slavicek, 2011; Dumas et al., 2013; Sinur et al., 2013). In frame of possible utilization of management practices that are available to managers in order to improve processes in organizations, management has a plethora of available practices that can be utilized in order to optimize organizational processes. Those practices can improve processes in general, such are, for instance, lean production, business process reengineering, six sigma, supply chain manage-

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ment and processes, as well as practices that enhance innovativeness such as collaborative innovation, as well as customer or supplier relationship management (Dabic et al., 2013; Nedelko & Potocan, 2013).

Literature and business practice reveal that a lot of management practices, which can support and improve organizational processes, have been developed and successfully utilized in organizations in the last decades (Rue & Byars, 1992; Van Assen et al., 2009; Rigby, 2011; Potocan & Dabić, 2012). Furthermore, literature speaks a lot about management practices, whereas the focus is on most known and used practices, like outsourcing, strategic planning, total quality management, lean production, and customer segmentation (Quinn & Hilmer, 1994; Tamosiuniene & Jasilioniene, 2007; Ooi et al., 2012). Those studies usually consider several selected practices, while studies, including majority of the most frequently used practices are rare (Rigby, 2001; Rigby & Bilodeau, 2009), and dealing mainly with explaining those practices and level of their utilization.

Management literature in Central and East Europe, focused on issues about improving, optimizing and developing businesses, is abundant (Kiezun, 1991; Newman, 2000; Sarotar-Zizek et al., 2013). But, the role and importance of management practices for business, especially about their meaning for optimization of production and process improvement are seldom considered (Potocan & Dabić, 2012; Dabic et al., 2013).

Thus, there is a significant lack of the evidences about utilization of different management practices in industrial organizations, backed up with a concrete and comprehensive report about the level of management practices utilization for industrial organizations. Studies usually report about utilization of management practices together for organizations in various industries (Rigby, 2001; Rigby & Bilodeau, 2009, 2011; Dabic et al., 2013). Furthermore, the role of typical management practices for supporting industrial processes is not often considered, as well as the link between utilization of several management practices and process outcomes are seldom considered. Thus, the literature does not provide a satisfactory answer about the level of management practice utilization in industrial organizations and explain their effect on the process optimization and process outcomes.

The main purpose of this paper is to examine the utilization of the most commonly used management practices in Slovenian industrial organizations. In order to more comprehensively understand the current state of management practices utilization in industrial organizations, the paper compares the level of management practices utilization in industrial organizations, with the management practices utilization in service organizations. This comparison helps to sharpen the picture about the level of management practices utilization and pattern of management practices utilization in business practice. Based on outlined starting points, this paper contributes to the existing literature following at least following. First, the paper reveals the current state of management practices utilization among employees in Slovenian industrial organizations. Next, a comparison between management practices utilization in industrial and service organizations is provided, which enable more comprehensive understanding of management practices utilization. Next, in frame of discussion the paper first outline key findings about utilization of management practice and discusses them in frame of existing findings in the literature. Further, the focus is on utilization of several typical management practices in industrial organizations (Creech, 1994; Bisgaard et al., 2002; Dodangeh et al., 2012; Ooi et al., 2012; Pakdil & Leonard, 2014) like, total quality management, lean production, six sigma, and the linkage between utilization of those practices with the processes outcomes, process optimization and overall results of the organizations. Discussion also provides some examples of industrial organization's practices, regarding their utilization of management practices and discusses cognitions in frame of existing literature and findings. Finally, the paper offers suggestions, how industrial organizations can enhance the utilization of underused management practices

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