

Chapter 4

Management by Processes: An Effective Tool for Employee Motivation

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Abstract This article shows, through different case studies, how the introduction of Management by Processes methodology not only has contributed to improve quality services and efficiency at different type of organizations, but it has also reinforced team spirit, achieving high levels of employee motivation. When a radical change is needed in a company, and a “process management culture” is named to substitute the “function culture”, the “Management by process” concept becomes an effective way of introducing behaviour changes. Innovation is generally defined as the development or use of new products, services, production, processes, organizational structures or administrative systems that are new to the adopting. And Management by Processes is a kind of innovation. It has been verified that explaining and involving employees in the process from the beginning, by means of training and communicating, from the first steps, the methodology, skills and techniques that are involved in the “Management by Processes Approach”, encourages employees to cooperate actively in the whole process.

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4.1 Introduction

The current chapter will show how the Management by Processes approach, in two distinct types of organization, leads to the same results with regard to the behavior of the organization management and the actual workers, moving them towards more unity and the recuperation of the concept of the organization as a single group.

To this end, two organizations belonging to different sectors (one industrial and one services) were studied; both had more than 50 employees, and had differing business and management focus but had both just undergone a change in senior management (the retirement of the Managing Director in both cases). Innovation is generally defined as the development or use of new products, services, production, processes, organizational structures or administrative systems that are new to the adopting (Damanpour and Aravind 2011).

For reasons of confidentiality the names and locations of the companies have been omitted.

The current chapter is organized as follows, Sect. 4.1. Introduction and explication of the chapter organization, Sect 4.2. introduction of Management by Processes, Sects. 4.3. and 4.4. two real cases, studied by the authors of this article are presented and finally Sect. 4.5. will present the conclusions.

4.2 Management by Processes

Managing its processes is one of the major tasks an organization has to perform in order to maintain its competitiveness. The main objective of process managements is to find the most efficient and effective way to transform customer requirements into customer satisfaction (Jedlitschaka et al. 2010).

Market relations have passed from supply to demand, thus converting the client, ever more demanding, into the *raison d'être* of any business. Process studies center on how and why things arise, develop and grow, as well as finish over time. They can also show the underlying dynamic in the maintenance of stability (Langley et al. 2013). Management by processes allows a total focus on the external client, opening up to their requirements with the goal of satisfying their expectations. It can also be defined as a method structured towards performance improvement, firmed up by disciplined design and careful execution of all the processes at the company (Hammer and Champy 1994). Process management assures that all the company's activities are thought of, designed and executed within a process framework. When employees recognize that their individual activities are part of something bigger they align themselves to the greater goal: the general strategy of the company and customer satisfaction (Hammer 2002).

The implementation of Quality Management (QM) tools and the use of ISO 9001 had received a high degree of attention in extant literature. Several research papers

attribute superior firm performance to adoption of QM practices, and while there have been doubts about QM's return on the investment, more recent research found that effective implementation of QM practices will contribute to better financial, marketing, and even innovation performance by improving quality performance and/or operational performance (Nair 2006).

The organizations (the systems) are as efficient as their processes (Prajava 2006). Departmental organizations, power niches and their excessive inertia against change need to be transformed, empowering the concept of the process, with a common focus and working with a vision of the customer objectives (Chang 1996).

Traditional management has been orientated towards objectives, profit (the goal), forgetting the principal immediate motive, to keep customers happy and loyal. Each person concentrates their efforts on their assigned task, dealing with it according to the instructions and specifications received, but with limited information as regards the final result of the work. It is still not uncommon in the manufacturing sector for a worker to not know, or at least not clearly, how they contribute to the final product. In administrative and management jobs this is even more common.

The fragmentation of natural processes, product of the Taylorian division of work and posterior grouping of resultant specialized tasks in functional areas or departments, facilitated the formation of feudal powers by department, thus obligating the management to frequently intervene in overall processes. This is due to the fact that many departments or areas with distinct responsibilities and objectives take part in a given process, which only the senior management can succeed in coordinating (Player and Lacaerda 2002).

It consists of reunifying the activities surrounding the processes that had previously been fragmented as a consequence of a series of deliberate decisions as well as an informal evolution. This leads us to recognize that the processes come first, and after the organization needed to make them operative. This is to see the process as the natural form of work organization. The structure can or not coincide with the process, given that in one workplace various different roles (not functions) can be undertaken for different processes.

In process management, attention is concentrated on the result of the processes and not on the tasks or activities. There is information about the final result and everyone knows how their individual effort contributes to the global process; this translates into a responsibility for the overall process and not just for their personal task (Purvis et al. 2013).

The following stages can be seen in the two cases that will be commented upon in Sects. 4.3. and 4.4:

- Sensitization to process management workshop.
- Evaluation of the current solution.
- Everybody works on the ideal process.
- Creation of improvement teams and action plans.
- Monitoring of the above.

4.3 Development of the Industrial Company Case

The first organization is a family company, part of the tissue of the Valencian industrial sector, working in the metallurgy sector. Owing to the imminent retirement of the Managing Director and founder of the company, the new senior management team, composed of members of the family, decided to push forward with a process of reorganization and the introduction of Management by Process. This followed the confirmation that in the prior 2 years the company had grown rapidly and many departments had specialized which meant that the majority of the middle management had lost a global vision of the organization, something which is very important in a family business.

The firm, which is a leader in its sector, produces steel parts which are distributed to wholesalers in Spain and other Mediterranean countries.

The firm is characterized by its close relationship with its customers (the majority being distributors, with not many clients being the end customer). They make made to measure products very quickly thanks to a strong design department, which marks them out from their closest competitors who only make standard dimension products.

The company has five production centers with big spaces and warehousing for the products, something which allows them to offer their clients the possibility to produce the goods (in general very large) and keep them in the factory's warehousing until they are needed, with storage times of less than a month.

The company does not distribute the products, it is the customer which organizes the collection of the goods from the company's loading bays.

The profile of the outgoing Managing Director, who managed the company and production for 20 years, is one of a charismatic strong willed man who formed a large company from a small metallurgy workshop. The Managing Director in all his years at the head of the firm never delegated the day to day supervision of the production, maintaining direct contact with the workers and management of each production center.

As the company grew, the work became more specialized and new factories, offices and warehousing were acquired. New products were added to the catalogue, with made to measure products standing out. Customers would make an enquiry, discuss the requirements with the technical department and the specification and requirements would be agreed. In the early years, production was scaled back to a catalogue of standard products, with made to measure comprising only 10 % of turnover.

To win market share, the departing Managing Director, 2 years before his retirement, decided to increase the range of made to measure products (thus increasing the turnover on this sort of product to 40 % of the overall turnover), but this also increased the complexity of production. He also decided to mix standard products (generally available from stock) with made to measure products (with special lead times) in single client orders.

To this end the company, over only 2 years, acquired two new production centers which it set up, investing in new production machinery and new industrial processes

(painting and drying processes which prior to the acquisition had been subcontracted). This notably increased the variety of products that the company was able to offer its clients, as well as the complexity of managing this offer.

The organization immediately began to have problems regarding coordination between senior management from the different factories about ex works delivery dates. Until some months before undertaking the new investments each production center produced and delivered their products in an independent manner in such a way that the customers had to place separate orders which were delivered with differing leadtimes. One of the major problems was that each fabric knew only a certain part of the global picture which produced certain internal tensions.

The new Company Management, upon seeing the circumstances, decided to look to the implantation of a Process Management System which would allow them to organize the production and transmit a global vision of the business to the employees, thus improving internal communications and empowering teamwork.

To this end they contracted a consultant who would undertake an initial 3 month period, basically to diagnose the situation. This initial work led to the creation of a Quality and Process Department, inexistent up to that point.

The starting point found by the consultant was one of a certain reticence from some senior and middle managers who did not understand the type of work that the consultant as going to do, and also of some general resistance to change. Another problem was between the senior managers of differing production centers. Three of them opposed any changes in management style, whilst the others considered it necessary to undergo a reorganization of production, which in itself led to problems between them.

The differences in management style of each of the production center managers, added to the fact that they had stopped having direct contact with the new Managing Director (he did not visit the factories on a daily basis to supervise production as the previous Managing Director had done), led to a certain lack of coordination in the production of orders which then led to delivery delays with the subsequent loss of face with the customers.

The work plan of the consultant was as follows:

- During the first three working months, the consultant planned, together with the senior management, two work meetings with all the administrative department directors (commercial, financial, HR, purchasing, design) and the five managers of the production plants.
 - *This type of meeting had never been organized before, thus it was the first time that many managers, new as well as those who had been in the company for many years, had met at a meeting. Some of them hardly knew each other.*
- After an initial presentation, in which the fundamentals of Management by Processes (Pérez Fernández 2010) and (Salgueiro 1999) was explained to all those present, a plan of actions was approved. This consisted of three phases:
 - *Phase I: First meeting between the consultant and each one of the departments, and compilation of information regarding the tasks each department undertook. The objective was to familiarize the staff to the presence of the consultant.*

The consultant was aware at every level in the business, any confusions or questions needed to be cleared up. The consultant was in the company on a daily basis during this phase.

- *Phase II: Formation of the Process Map of the company. Once initial reservations about Management by Process had been overcome, the consultant presented the Process Map to the management team who analyzed, revised and completed it. This phase lasted a month.*
 - *Phase III: Formation of the Process Improvement Proposal. Using the Process Map as a starting point, improvements and modifications were put forward, starting from indicators and targets that had been proposed for each of the processes. This task took a month, and begun with those processes than contained critical point tasks and/or bottlenecks.*
- After 3 months of work, there had been success in motivating the management and supervisors, who saw applicable solutions within their work processes, as well as having a global vision of the company and the products produced, which they had not had until that time. The incorporation of proposals put together from the point of view of the customer regarding products and leadtimes were especially motivating, given that before this time the changes requested by the commercial team had not always been understood by production managers. Internal communication between the two areas improved substantially as well as the coordination between the different production centers.
 - At the end of the work, a new Quality and Process Department was formed. It began with the implantation of a Quality Management System.

Similar processes can be found in [Figuera 2007](#).

4.4 Development of Case 2: Health Centre

The second case is one of a Health Centre belonging to the Valencian public health system. It has more than 50 people working there, including medical staff (doctors, University trained nurses and nursing auxiliaries) working under a recently announced Center Director, who had been named as the replacement of the previous holder of the position, also a doctor, who had recently retired.

This type of organization undergoes regular changes in management, under institutional guidelines. The internal organization of personnel and resources, even if coordinated by the Center Director, does not depend upon him, at least in terms of rostering and HR. The general services such as maintenance, IT and provision of health and administrative materials are assigned by a Health Department Manager. With the materials provided Center and patient needs must be covered.

The provision of health services is a very complicated activity that requires excellent planning skills, especially in moments of crisis.

Unexpected staff shortages are not uncommon, especially in holiday periods (when absences can admittedly be predicted to an extent). These can combine with

unexpected increases in patient numbers (for example when there is a flu epidemic, or an accident near the center).

The new Center Director, interested in the Management by Process methodology, decided to put forward the idea of a Process Work Group to the senior managers of the different medical specialty areas to provide answers for the gaps detected that were causing a poor perception on the part of the patient in relation to the delays in the assignation of appointments, or in the waiting times within the center itself.

An increase in the number of patient complaints had been detected and the administrative staff asked for a change in the management of appointments.

Additionally, in recent months an IT program for patient management had been installed, with which the medical staff were not familiar (before this time, only paper records were kept). The idea, at least from the senior health management, was to move away from paper records and to move towards electronic retention of patient records which could be updated during the patient visit. Some doctors rejected the abandonment of the traditional method of taking notes on preset formulated sheets.

This is to say that the new Director found himself in a center undergoing a substantial change in its work methods, especially in reference to the documentation generated during patient visits. All of this, without being able to take decisions regarding the timeframe of the implantation of the new IT system, nor with respect to the resources available for this change.

The Director made contact with an expert in Management by Process from outside the health area and planned a series of meetings with the different senior managers in the different specializations as well as with representatives of the university trained nursing staff, administrative auxiliaries, nursing auxiliaries and porters.

The meetings took place every 2 weeks over a 3 month period. During these meetings, and following a Training and Work Group Plan, the consultant helped them answer a series of activities that had been previously put forward and communicated to the participants.

The first sessions were for training. On one hand the assistants were familiarized with the methodology and nomenclature of the Processes (Beltrán Sanz et al. 2012) and (Galloway 1998). On the other, the consultant familiarized himself with the activity of the center during the most complicated part of the day, that of the morning when the majority of the patients attended the center.

Flow diagrams of some of the patient care processes were drawn, from different treatment areas selected by the Process Group.

The rapid identification of points for improvement in the succession of represented activities motivated the Group members. They went to the meetings with interesting consultations and work proposals.

The results and solutions set out during the meetings were immediately implanted by the Center Director which resulted in a visible improvement in the work environment and staff relations. Although a positive response was not unanimous, it was sufficiently widespread to allow smaller and more specific work groups in some medical specialties.

The general impression was that despite the fact that the implementation of the new IT system would bring welcome modernization in the near future, the initial faults as much as the fact that the lack of specific IT knowledge amongst the majority of the Center's staff meant they were unable to resolve problems caused by the constant system failures (the Center did not have an IT worker amongst its staff) meant a poor reaction to the new system. For this reason the medical staff rejected it and resisted the abandonment of paper records in consultations.

The health department's senior management was informed about the Process Group's advances and proposals, since minutes were taken at every meeting. The consultant completed the information in the notes with support documents used for the meetings.

Three months after the beginning of the work, an IT technician was sent to the center and undertook the monitoring "in situ".

The news that some of the problems detected by the group were being solved inspired other health centers to take on the Management by Processes initiative.

The experience was presented to the senior health management. Some of the participants of the successive Process Groups published articles specific to Management by Process in Patient Service.

4.5 Conclusions

Independent of the sector in which it is working, its size, the type of organization or the management style, it has been shown that the introduction of the Management by Processes methodology is a very useful tool, as well as having a motivating effect on the personnel when introducing changes to the organization paradigm.

On many occasions the workers do not feel that they are part of the process, since they only know and see a small part of it (Taylorian vision). When they know the whole process and feel a part of it, they are motivated, something which has a positive repercussion for the company.

Some authors have published specific pieces about the importance of the people in successful process management in organizations (González and Hervás 2009).

The principal conclusion of this article is that the Management by Process methodology is a powerful tool in terms of staff motivation. With this in mind, it is fundamental to communicate well, and with all the staff, the type of work that is going to be undertaken, forming a process team in which everyone is represented. People must be informed about the advances that are occurring within the organization. An important part of this is the sensitization stage, and at times the training on Management by Process.

A correct and well-judged introduction to the Management by Process tool does not only give a global vision of the organization and the work undertaken in it, but also has a positive repercussion on the atmosphere in the work environment, contributing to the relaxation of tensions between departments or areas that are not closely interrelated in this business.

This is especially demonstrable in organizations that are very orientated towards the customer, who immediately perceives improvement in their relationship with the organization.

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