The Implementation of Process Management:  
A System to Increase Business Efficiency—Empirical Study of Spanish Companies

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ABSTRACT

People cannot deny the plausible evidence; globalization and internationalization has meant that the world is in an era of continuous changes in the companies that are unable to adapt rapidly to them, are evoked to extinction. Today, this has a significant impact in Western societies that has led companies to focus their attention not only in technological but also in finding new management tools capable of providing the company with: information about what happens in the organization to achieve customer satisfaction and increased results. For this reason it is vital to the management control and, in particular, as the authors will expose, process management. This work study is an empirical study about the positive effects of the implementation of process management to companies in Spain, specifically in efficiency.

Keywords: Efficiency, Flexibility, Process, Productivity, Quality

1. INTRODUCTION

The biggest problem arises when required total quality in all that is done, as the functional head cannot carry out a monitoring of all and each of the operations being implemented. However, this type of organization may be adequate in business where the required level of qualification is very low and tasks easy and repetitive; but does not hold in reality in which we find ourselves today, an emerging reality defined by globalization, liberation of the industry, technological innovation and a market where supply has gone into the background, as the customer satisfaction the ultimate objective of the company, always without forgetting, of course, the profitability of the organization.

In this context, the objective of our article is to examine whether the introduction of process management system in the company, as instru-
ments to pursue and at the same time enhance the entrepreneurial approach to total quality, allows the achievement of an improvement of efficiency in the allocation and use of resources which it is in a main determinant of the increase in business productivity rates. To this end we have divided this article into six sections. Following the introduction, the second section describes the theoretical framework underlying the relationships between process management, flexibility of labour, business productivity and cost efficiency. The third section is intended to establish the research hypothesis and explain the database used in the empirical analysis. The fourth sets out the methodology used and the variables defined. The fifth, gathers the main results obtained. And, finally, the sixth section sets out the findings of the investigation, as well as future lines open through this work.

2. THEORETICAL FRAMEWORK

According to the standard ISO 9000: 2000: “Process-based approach consists in the Systematic of the processes developed in the Organization and in particular identifying interactions between such processes”. Therefore, process management is a systemic company vision, so that if a process is ineffective or inefficient system it will be.

We propose a simple example that clarifies the vision system exposed: the human body, consisting of a set of organs acting independently but are closely interrelated. If the heart does not work neither will the rest of the bodies, or what is, if one does not work, neither will the rest or, if they work, they will in poor conditions.

Having clarified this point, we list the principles of process management that can be summarized in four principles: the first is that any organization should be composed of processes, the latter argues that virtually any activity is located in a process, item third said that to produce the existence of a process is necessary a product or service and vice versa, and the fourth and final principle states that there has to be customer- product/service.

Therefore, by way of conclusion, process management involves the need to identify and classify them, producing a series of indicators that measure the effectiveness, efficiency and flexibility of these and, finally, a responsible allocation of each process or process owner.

Therefore, the key element of the process management system is, without a doubt, the management of the processes that make up. Although business literature we found a wide range of approaches to the concept of process, we in this article, we believe appropriate to mention the provided by experts in the field under study, which define the process as a “system that uses resources to transform inputs at outputs generating added value”. Subsequently, the definition has been expanded considering that the process is “the sequence of activities that consume time and resources, aims to generate added value of an entry to get a result or output that meets the requirements of the customer” (González-González, 2009).

It is clear that the decisive process will be those that provide greater value to the client that the efficiency of the organizations will depend on these processes. Anyway, there is a false perception that any company that has identified its most important processes - the so-called key - enjoys this type of management. However, it is vital that they are interrelated in the search for a common goal, the satisfaction of the client.

In addition, we agree with Zaratiegui (1999) when indicated, on the one hand, that the processes must be subjected to continuous revisions in order to adapt to changes in the market, customers, and new technologies and, on the other constantly seek ways to improve the process in terms of productivity of operations or the reduction of defects.

The flexibility of human resources can be defined as “the capacity of human resources management” to facilitate the ability of the Organization to adapt effectively and quickly to the changes or diversity of the demand in the interior of the company or in its surroundings. The flexibility of a company’s human resources can be internal and external (Martínez Sán-
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