INTRODUCTION

A central question in strategic management research is: How do firms achieve sustainable competitive advantage?

According to the resource-based view of the firm, organizations in the same industry perform differently because they possess different resources and capabilities. Organizational processes have emerged as critical building blocks in this difficult-to-imitate capabilities.

Process orientation
- can be interpreted as the organizational effort required making business processes the platform for organizational structure and strategic planning.
- exhibits a multidimensional nature.

Whereas the importance of process management has often been highlighted, much more remains to be understood about the (joint) impact of specific dimensions of process orientation on organizational performance.

DIMENSIONS OF PROCESS ORIENTATION

CONTINUOUS PROCESS IMPROVEMENT

Organizational effectiveness depends, inter alia, on business processes. Inevitably, business processes, once deployed, hardly ever remain unchanged over time due to changes in business conditions and customer requirements.

Continuous process improvement
- refers to sustained incremental improvements of existing processes.
- is defined as “a systematic effort to seek out and apply new ways of doing work, i.e. actively and repeatedly making process improvements” (Jennings et al. 2009, p. 18).

Such initiatives help to enhance the organization’s ability to make cohesive and quick process changes to improve performance.

PROCESS OWNERSHIP

Although the concept of continuous process improvement potentially supports achieving higher performance, the improvement of the process design must be properly supported.

Thus, a process owner must be in place who tracks the status of the business process and guides the improvement efforts.

A process owner is an “individual concerned with assurance [...] the successful realization of a complete end-to-end process” (Hansen 1999, p. 71).

FINDINGS

FINANCIAL PERFORMANCE

Customer Satisfaction

Organizations that implement both continuous process improvement and process ownership reap the fruits of process management in terms of higher financial performance and customer satisfaction.

REFERENCES

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