

THE CONCEPT OF A STRATEGY OF TRANSFORMATION OF A FUNCTIONAL ORGANIZATION INTO PROCESS ORGANIZATION ON THE EXAMPLE OF CAR DEALERSHIPS IN POLAND

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Abstract: The main goal of the article was to characterize the concept of transformation strategy of an organization that is functionally manager into a process organization on the example of authorized car dealerships. The auxiliary purpose was to present the results of the empirical study on the process maturity assessment of authorized dealerships in Poland. The goals were achieved as a result of literature review, analysis of secondary research, observation and opinion poll method. The second part of the article presents the selected definition of process maturity as well as the characteristics of the multidimensional organizational maturity assessment model used. Then, the structure of the research project was characterized. As a result, the results of the empirical investigation were presented, based on which three transformation strategies were formulated: adaptive, developmental and dynamic. As a result of the study, it was found that the examined objects are mostly classified at the second and fifth level of maturity.

Keywords: automotive, process approach, process management, process maturity, transformation strategy, MMPM model.

KONCEPCJA STRATEGII TRANSFORMACJI ORGANIZACJI ZARZĄDZANEJ FUNKCJONALNIE W PROCESOWĄ NA PRZYKŁADZIE AUTORYZOWANYCH STACJI OBSŁUGI SAMOCHODÓW W POLSCE

Streszczenie: Celem głównym niniejszego artykułu było przedstawienie koncepcji strategii transformacji organizacji z zarządzanej funkcjonalnie w procesową na przykładzie autoryzowanych stacji obsługi. Celem częściowym było przedstawienie wyników postępowania empirycznego oceny dojrzałości procesowej autoryzowanych stacji obsługi w Polsce. Cele zostały zrealizowane z wykorzystaniem takich metod badawczych jak: przegląd literatury, analiza badań wtórnych, obserwacja i sondażowe badanie opinii. W drugiej części artykułu przedstawiono wybrane definicje dojrzałości procesowej oraz scharakteryzowano, wykorzystany w badaniu, wielowymiarowy model oceny dojrzałości procesowej organizacji. Następnie scharakteryzowano strukturę postępowania empirycznego.

W rezultacie przedstawiono wyniki badań empirycznych, na podstawie których sformułowano trzy strategie transformacji: adaptacyjną, rozwojową i dynamiczną. Ponadto w wyniku przeprowadzonych badań stwierdzono, że badane obiekty są najczęściej klasyfikowane na drugim i piątym poziomie dojrzałości.

Słowa kluczowe: motoryzacja, podejście procesowe, zarządzanie procesami, dojrzałość procesowa, strategia transformacji, model MMPM.

1. Introduction

The situation of contemporary organizations operating in the after-sales field of the automotive sector is primarily determined by the turbulent market environment, technical progress in car design, dynamic technology development and vehicle repair methodologies, shortage of qualified employees and high staff turnover. Not without significance is the attempt to meet, through authorized dealerships, the needs of prosumers who influence the design and improvement of business processes architecture through the structure of their expectations (Lusch, Nambisan, 2015, p. 155-176; Czubasiewicz, Grajewski, Sliż, 2018). It is also worth noting the need to maintain a high rate of satisfaction of the external client. At this point, one also needs to present the criteria for selecting authorized dealerships by customers, which included: loyalty, satisfaction from previous visits, location and competitiveness of prices of services offered (Ząbek, 2014). This in turn implies a state in which authorized dealerships compete with each other in the space of processes.

2. Methodology for assessing the organization's process maturity

In this article, process maturity was defined as “a measure to evaluate the capabilities of an organization in regards to a certain discipline” (Rosemann & de Bruin 2005). More precisely, it is “the state of the system, in which it the continuously discounts the benefits of the advancement of the applied process solutions that is an expression of the modern organization's aspiration to provide itself with the ability to respond to turbulent challenges requiring flexible solutions of the environment” (Grajewski, 2016, p. 125). On the other hand, the assessment of the organization's maturity is understood as “the evaluation of the organization's process maturity is understood as recognition of the increase in the development of positive features stating the implementation of the selected elements of the process approach in the organization in the space from the process-immature organization towards the process-mature organization, taking into account the short and long-term dimension (Sliż 2018). To assess the level of process maturity of the organization, specific

patterns were used, identified in the literature as models of process maturity assessment (Röglinger, Pöppelbuß, & Becker, 2012). In most of the presented models, they have a five-degree scale (R.S. Maull, Tranfield & W. Maull, 2003). At this point, it should be emphasized that, according to some authors, the number of models is too large (de Bruin, Rosemann, Freeze, & Kulkarni, 2005; Pöppelbuß & Röglinger, 2011). This means that the choice of the appropriate maturity models from among the hundreds of maturity models presented in the subject literature can be a problem both for researchers and practitioners (de Bruin et al. 2005). The literature distinguishes three types of models of process maturity assessment: descriptive (Becker et. al. 2009; Maier et. al. 2009), prescriptive (Maier et al. 2009, p. 21; E. Głuszek, J. Kacała, 2015, p. 28) and comparative (Pöppelbuß, J., & Röglinger, M., 2011, de Bruin et. al. 2005; Maier et al. 2009).

In the discussed issue, the prescriptive function of the multidimensional MMPM model (Multidimensional Model of Process Maturity Evaluation) was verified, enabling the assessment of the level of maturity in the following dimensions: short-term, long-term and system (tab. 1). The analysis of the surveyed organizations in the dimensions of identifying system characteristics made it possible to formulate the transformation strategy of the surveyed organizations from functional to process-based ones (Sliż 2018).

Table 1.

Characterization of levels and dimensions of process maturity in the short and long-term in the multidimensional organization process maturity assessment (Sliż 2018a, 2018b)

Marking the process maturity level	Process maturity level characteristics for the long-term dimension
L5 A+	The process organization, in which all the specified criteria were met, demonstrating the correctly identified, formalized and metered process architecture. In the long-term dimension, the organization is characterized by the improvement of the metered and manager processes, using management methods, IT tools and innovative, original solutions. Organization, as a result of measurements of processes and improvements generated by all members of the organization, is looking for a new space in which the value added can be generated.
L5 A	Process management is based on the results of the designed measurement system. Based on the analysis of the process effect, corrective actions are taken to continuously improve processes based on the client's requirements, in external and internal terms.
L5 A-	Despite the attempts to improve manager processes, there are no symptoms indicating the search for newer generation solutions.
L4 B+	Decision-makers and stakeholders in the organization make decisions related to the optimization and dynamization of the managed processes. The organization focuses on searching for new solutions resulting from an attempt to flexibly influence external impulses.
L4 B	The identified and formalized processes are metered. Management decisions are focused on the effect of the process. The external and internal training system facilitates the transfer of knowledge between employees. A desirable role of the leader is to manage the diffusion of knowledge in the established, interdisciplinary teams oriented on the implementation of tasks and solving problems in the space of the entire organization.
L4 B-	The measures applied primarily concern the assessment of mega processes (main and central processes). There are no decisions regarding the reconfiguration of the system of meters for all identified processes. Functional managers are responsible for coordinating tasks in the subordinate division. In the long term, the organization exhibits symptoms characteristic of the P3 level.

L3 C+	In organizations, management decisions are focused on results. This means that the organization attempts to synergize the measurement result in making management decisions.
L3 C	Most of the identified processes in the organization are formalized. The trainings are carried out in accordance with the plan determined in advance (e.g. by the grantor). The lack of symptoms indicating the implementation of internal training. The defined state of the process architecture is metered.
L3 C-	The developed system of measures mainly concerns the measurement of mega processes. Measurements are made for the needs of the top decisions (e.g. the grantor). Training is the motivational element of an employee. Their implementation does not support the exchange of views and development of the employees' competences.
L2 D+	As a result of the formalized infrastructure of all identified processes, decisions are made regarding measurement of the selected processes in the organization. The simultaneous orientation towards the tasks and results prevents the overall measurement of all processes.
L2 D	The organization uses the term "process" correctly. This means that it is understood as a repetitive sequence of sequentially implemented actions which aim is to generate the added value. Only mega processes and some auxiliary processes are identified in the organization. This also applies to the formalization of processes in the form of maps.
L2 D-	The organization uses the concept of the process, but it is identified incorrectly. It is often identified with the procedure, standard or task. Despite the identification and formalization of mega processes (or main processes), the orientation of management actions is focused on tasks.
L1 E+	The organization is looking for new solutions in the field of management approach. The dominant functional management formula directs it towards functions and tasks. In the long-term dimension, there are measures to move away from the classical form of management through the bottom implementation of the quality management system, e.g. ISO, resulting from the internal needs of the organization.
L1 E	The organization has insignificant features of the implementation of the process approach. No identified factors that could change the orientation of the management approach in future management activities.
L1 E-	An organization with strongly dominant elements of a functional approach in management. A multi-level hierarchical structure prevents horizontal pre-orientation. In the long-term dimension, there are no single symptoms that could indicate a change in orientation in management. The organization does not use the concept of a process.

In addition, using the presented model was supported by reconfiguring the model and the research questionnaire to the specifics of the sector under investigation. The characteristics of short and long-term dimensions are presented in tables 1-2.

Table 2.

Characteristics of system features assessed in the in the multidimensional organization process maturity assessment (Sliz 2018a, 2018b)

Short-term designations	Long-term designations	Short- and long-term designations	Characteristics of the short-term dimension
L5	A+	L5 A+	Development
L5	A	L5 A	Stagnation
L5	A-	L5 A-	Atrophy

In turn, table 3 characterizes the system dimensions to which specialization, hierarchy, centralization and formalization were qualified.

Table 3.

Characteristics of system features assessed in the in the multidimensional organization process maturity assessment (Grajewski, 2016, p. 169)

System feature	Characteristics for the process-managed organization
Specialization	Economic processes as the basis for creating interdisciplinary teams. Improving interdisciplinary implementation skills.
Hierarchy	Dominance of horizontal relationships over hierarchical ones. The owner of the process replaces the current functional manager. Responsibility for the actual results of the work, the degree of meeting the needs (customer satisfaction).
Centralization	Delegating permissions on process managers. Independence of contractors in creating the structure of processes.
Formalization	Employees' activity aimed at seeking effective implementation procedures. The method of operation adapter to the client's expectations.

The system dimensions thus identified made it possible to formulate the transformation strategy of the organization, described in point 4 of this article.

3. The results of empirical proceedings

3.1. Structure of empirical proceedings

The empirical proceedings were implemented in 2017 using probabilistic sampling techniques based on the sampling frame of the reconfigured SAMAR object database (SAMAR 2017). The subject of the study were the authorized dealerships for passenger cars in Poland. In the design of the study, the maximum error value $d = 0.1$ was assumed, with $p = 0.5$ and a confidence level of $0,95^1$. On this basis, 89 units were drawn. The study was carried out using the CAWI technique (computer-assisted web interview). At this point, it should be emphasized that the empirical procedure is a continuation of research carried out in the automotive sector in 2016 (Sliż, 2016a, Sliż, 2016b). The research questionnaire was sent to the middle and senior management. In turn, organizations were divided on the basis of the criterion of the number of employees, regardless of the form of their employment. In summary, the study involved: micro-organizations (6.74%), small organizations (56.18%), medium-sized organizations (28.09%) and large organizations (8.99%).

3.2. Process maturity of authorized dealerships in Poland

As a result, 87 completed questionnaires were classified as the studied organizations to the levels of maturity of the MMPM model (table 4) characterized in tables 1-3.

¹ The $p = 0.5$ fraction is taken as the maximum value of the product $p \cdot q = (p \cdot (1 - p))$ (Szreder, 2012).

Table 4.

The result of the process maturity examination of authorized dealerships in Poland

Short-term designations	Short- and long-term designations	Number of objects	Percentage
Level 1 (L1)	L1 - E-	0	0,00%
	L1 - E	0	0,00%
	L1 - E+	1	1,15%
Level 2 (L2)	L2 - D-	1	1,15%
	L2 - D	2	2,30%
	L2 - D+	33	37,93%
Level 3 (L3)	L3 - C-	0	0,00%
	L3 - C	2	2,30%
	L3 - C+	6	6,90%
Level 4 (L4)	L4 - B-	0	0,00%
	L4 - B	1	1,15%
	L4 - B+	12	13,79%
Level 5 (L5)	L5 - A-	5	5,75%
	L5 - A	20	22,99%
	L5 - A+	4	4,60%
Summary		87	100,00%

In turn, figure 1, using the box plot, presents the values of descriptive statistics for the examined system dimension (see tab. 3).

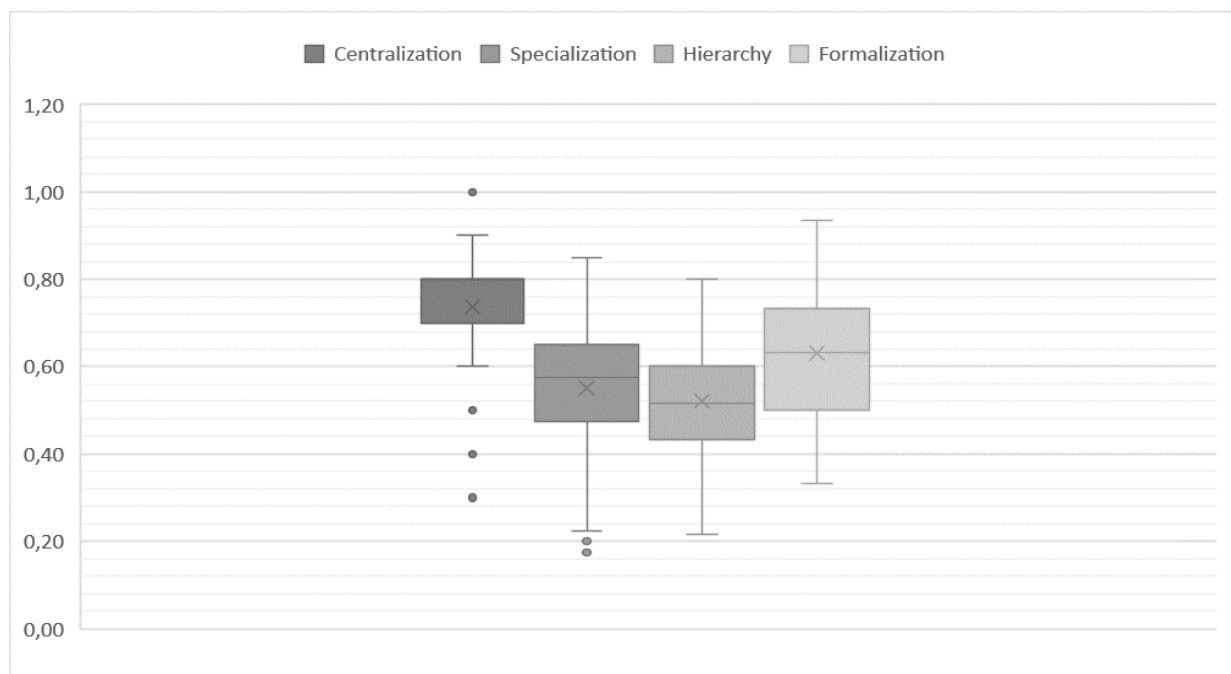


Figure 1. Box plot of system features based on the MMPM model. Based on own study.

The analysis of the obtained results allowed to formulate a conclusion regarding the high orientation of the examined organizations for the centralization character and low awareness of the organization in the development of hierarchy and specialization features, which implies the classification of the majority of subjects at the second level of maturity and prevents pretending to the third and higher level (see: tab. 1, 3).

4. The concept of transformation strategy

The concept of organization reconfiguration strategy in this article is defined as “an action program defining the successive stages of projects implementation, increasing the system’s ability to achieve a lasting competitive advantage due to the possibility of constant activation of development potential in previously characterized spaces” (Grajewski, 2016, pp. 197–199).

The three types of strategies presented in fig. 2 were developed on the basis of (Grajewski, Rybicki, 2016). The following strategies were qualified: adaptive, developmental and dynamic. In addition, the view was formulated that the presented strategies can be subjected to classification for: implementation and activation. The first one concerns the phenomenon of implementing a process organization in a functioning organization, in which management decisions were oriented towards a functional approach in management. The second one concerns the state in which the organization (in this article understood as dealership) decides to start operating on the market and undertakes project activities aimed at the implementation of process elements as the leading solutions. In addition, selected three strategies have been characterized taking into account a set of factors, characterized in tab. 5.

Table 5.

Factors influencing the choice of strategy for implementing changes towards process management of the organization (Grajewski, 2016, pp. 197–199)

Factor	Characteristics of the factor
Technical	The organization’s level of armaments with tools for recording, analysing, measuring and streamlining processes.
System	Advanced solutions in the field of structure configuration and internal marketization, high empowerment, team nature of work, process design in SIPOC convention, knowledge management.
Culture	Setting for cooperation, open communication, acceptance for change and learning, social integration of the organization’s members.
Competence	The level of professionalism of the organization’s participants, commitment to the organization, innovation and creativity, future orientation, sources of power and influence (hierarchy towards experts).

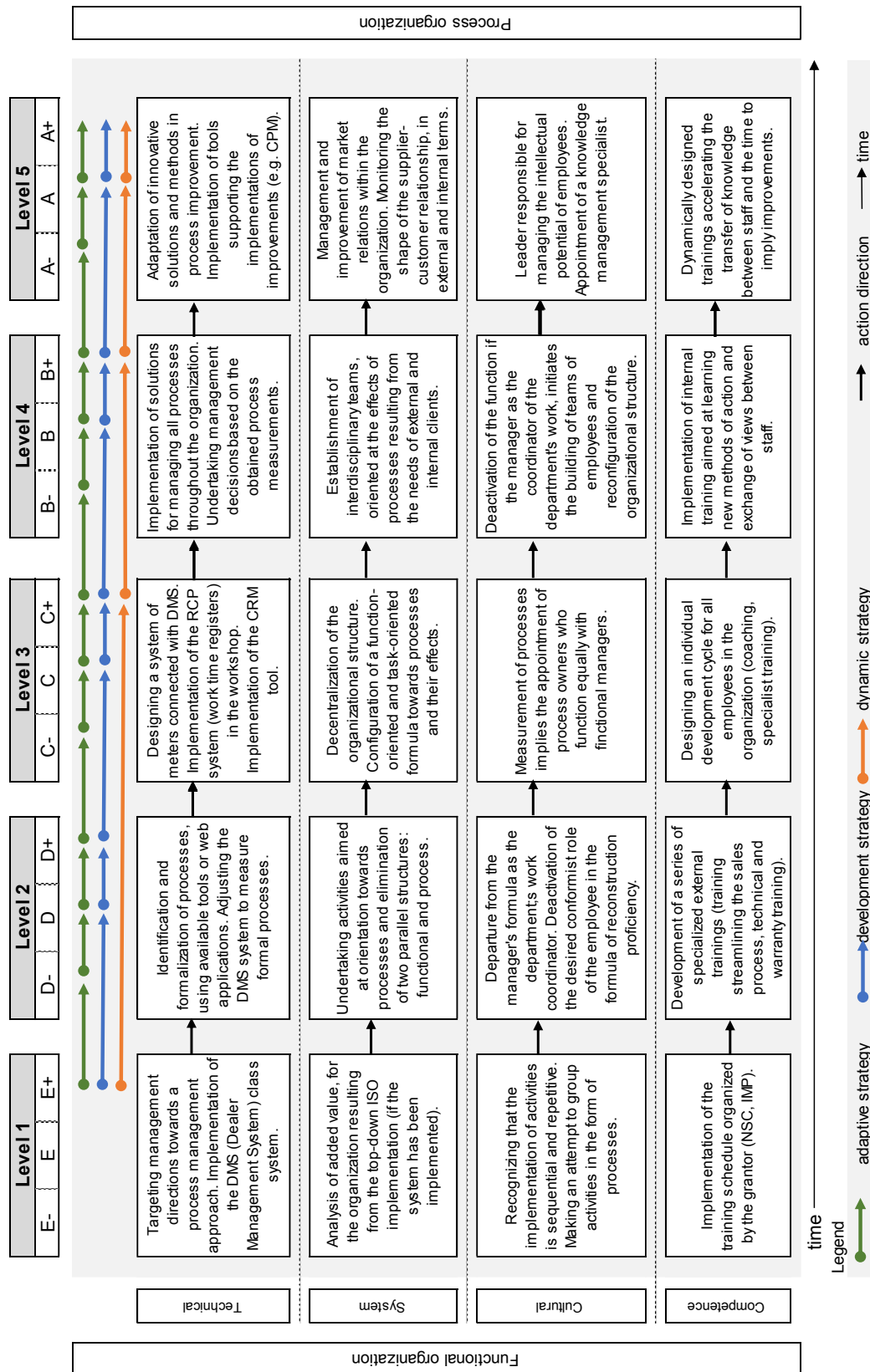


Figure 2. Transformation scheme on the example of an authorized dealership with functional orientation into the process one using the adaptative, developmental and dynamic strategy. Based on (Grajewski 2016, Sliz 2018b).

As a result of the empirical research carried out, the vast majority of units were qualified to the L2 D+ level (tab. 4). As a result of a detailed analysis of the results, the view was formulated that developmental strategy would be the most optimal transformation strategy for the surveyed organizations. In addition, its selection in the area of the technical factor discussed above concerns the implementation of a comprehensive instrumentation enabling the identification, formalization and measurement of processes. This, in turn, may improve the verification of the assumptions regarding the input data in the space of the entire organization adopted during the modelling process phase. In turn, at the stage of designing the organization of an authorized dealership, the author expresses the view on the selection of a dynamic strategy, which assumes the implementation of a change in the convention of simultaneous introduction to the organization of all process components. At this point, it should be emphasized that its implementation should be performed using the SIPOC convention (Suppliers, Inputs, Process, Outputs, Customers) (Shankar 2009, pp. 15-19). The dynamic strategy has the character of a generational change, requires many preparatory treatments and is characterized by both high risk and possible high effects, especially in the area of fast flexibilization of the level of the organization [Grajewski 2012, p. 136].

5. Summary

As a result of the empirical proceedings, three conclusions have been formulated, of a generalizing nature. Here they are:

First of all, the vast majority of the surveyed organizations were qualified to the second level of maturity, with a clear marking of the long-term dimension L2 D+. It is a state in which processes are identified and formalized. The obtained result is confirmed in the words of S. Cyfert, according to whom "Functional approach, based on multi-segment, hierarchical structure, focused on employee's proficiency in fulfilment of strictly defined assigned tasks and responsibilities appears to be an overwhelming majority due to secondary research on the implementation of process approach in Polish organizations" (Cyfert, 2009, p. 168). In addition, based on the observed symptoms, one may assume that the long-term organizations may reach the third level, identified as a state in which processes are identified, formalized and metered.

Secondly, it should be noted that in comparison with the study carried out in 2016 (Sliż, 2016), a larger number of organizations meeting the criteria for the fifth, highest level of process maturity were found.

The third, last, conclusion is that the managerial decisions in the surveyed organization should be focused on the effect of the process, along with the declared deactivation of the expectation of restorative skills from employees. In addition, organizations aspiring to the

third level of process maturity should demonstrate the atrophy of elements of the functional approach for the implementation of process solutions, so that at the fourth or higher level, the homogenous nature of the organizational structure can be obtained (Czubasiewicz, Grajewski, Sliż, 2018).

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