# Reengineering Business Processes in the Context of Ensuring Inclusive Development of Enterprises

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Abstract. The deep and prolonged socio-economic crisis observed in Ukraine in recent years has caused a number of problems in the development of domestic enterprises. Financial instability, inflationary processes, devaluation of the national currency, and now the challenges of a full-scale war and the consequences of active hostilities on the territory of Ukraine have led to an imbalance in the system of inter-sectoral relations. Constant missile attacks and extensive damage caused by the aggressor country's terrorist actions have significantly destabilised the operations of Ukrainian enterprises, critically limiting their resource capabilities (human, material, financial) and, consequently, their competitive potential. Significant uncertainty and turbulence in the external environment as a result of a combination of internal and external destabilising factors in the context of wartime challenges have made strategic planning impossible for producers. Therefore, the issues of finding approaches for effective management of enterprises, their restructuring and rehabilitation by identifying development priorities and formulating policies for their implementation are of particular relevance. The purpose of the study is to analyse theoretical and methodological approaches to the implementation of anti-crisis management models, to rethink the concept of enterprise development in terms of the need for strategic changes in the new economic realities, and to make a critical assessment of the system of management technologies, one of which is business process reengineering. To achieve this goal, general scientific methods of cognition were used: deduction and induction, analysis and synthesis, and generalisation. An important result of the work is the identification of a relevant link between the achievement of sustainable development goals, ensuring inclusiveness of activities and the content of business process reengineering as an anti-crisis paradigm in the current economic environment of Ukrainian enterprises. The results obtained are of practical value for economic systems focused on radical redesign and fundamental rethinking of business processes in order to achieve a significant improvement in the quality of human capital use.

*Keywords:* reengineering, business process, process management, inclusion, inclusive development.

JEL Classification: D62, O15, O21, O32, M11, M14

## **1** Introduction

Effective management of organisations in the face of global challenges is one of the challenges facing modern management worldwide. There is no universal algorithm for creating such anticrisis management systems, but it is quite possible to develop effective principles for building management systems for business entities based on a process approach or management based on the business processes of an enterprise.

The idea of representing a company as a set of business processes and managing its activities as the

management of a set of business processes began to emerge in the late 80s of the twentieth century (Honcharova O. M., 2013). The best companies in the world began to solve these problems for themselves, proving in practice the importance, efficiency, cost-effectiveness and progressiveness of moving to a human-centred business management structure. Thus, the adaptation of engineering approaches to the needs of management laid the foundation for the development of a whole generation of changes commonly referred to as business process reengineering.

It is worth noting that despite the availability of works on the fundamentals of the theory of process management by foreign scientists (E. Deming, M. Hammer, J. Champy, D. Ross, M. Robson, F. Ullah, A. Sher) and domestic researchers (S. Voitko, V. Gerasymchuk, V. V. Dergachova, O. O. Ilchuk, I. M. Kreidych, A. V. Kozachenko, P. V. Kuteliev, I. I. Mazur, G. G. Savina, D. M. Stechenko, L. Taraniuk), the issue of studying the relationship and interdependence of reengineering and inclusive development of enterprises remains unexplored. At the same time, the current state of the problem of business process reengineering requires a more detailed study of the unique experience of Ukrainian business entities in the context of full-scale war and the development of anti-crisis management measures relevant to the existing demographic, social, financial, logistical, geopolitical challenges and international foreign economic policy. Thus, the logic of this research is determined by the implementation of a qualitative analysis of the theoretical and methodological foundations of reengineering and the improvement of the existing mechanisms for its implementation within the framework of adaptation for further use by domestic enterprises.

#### 2 Modern Content, Goals and Objectives of Business Process Reengineering

There are a number of interpretations and definitions of reengineering in the academic and business literature (Honcharova O. M., 2013; Kovalov A. I., 2014; Hammer M. & Champy J., 1993). However, in connection with the analysis of business process reengineering, the most comprehensive and exhaustive interpretation can be considered that provided by a group of domestic researchers, namely O.I. Prodius and E.D. Naida: "Business process reengineering is a radical renewal of business processes in the context of accelerating the company's response to changes in consumer requirements with a multiple reduction in all types of costs, which occurs under the conditions of coordinated work of a team of highly qualified, effectively motivated specialists who develop and implement innovative and creative ideas to increase the level of competitiveness, optimise work processes, increase productivity and quality of products and services, and improve customer satisfaction." (Prodius O. I., Naida Ye. D., 2018) Today, RBP is an approach that views a business as an object that can be designed and redesigned using engineering principles. RBP has emerged as a result of the declining effectiveness of traditional business models and management approaches in the increasingly dynamic modern environment.

For example, global changes in technology, sales markets and consumer behaviour require companies to undergo a qualitative transformation that involves radical restructuring and rethinking of the principles of organising all business processes.

In other words, the reengineering method involves focusing on business processes rather than on the structure or functions of the company. In this case, a business process is viewed as a set of operations aimed at meeting customer needs. Each business process has an input – a resource required for its execution – and an output – a certain result. Since processes are interconnected, the output of one process can be an input for the next.

In turn, all the company's business processes are divided into three types:

- management is the business processes required to control the functioning of the entire system, set strategic goals, allocate resources, and so on;

- operational - related to the core business of the production enterprise and those that generate profit;

- supporting – auxiliary business processes that provide support for management and operational activities.

Viewing an organisation as a set of interrelated business processes characterises the process approach to management, which has the advantage of focusing on the results of the organisation's activities as a whole, rather than on the work of individual departments.

In contrast to engineering, the concept of which is reduced to gradual evolutionary changes, improvements of existing processes to increase their efficiency and achieve the basic objectives of the company (Kovalov A. I., 2014, p. 126), reengineering involves a complete restructuring and creation of new, more efficient and flexible business processes that allow to compete successfully in the market and achieve its goals.

The goals of reengineering an organisation are to ensure that the company is able to respond quickly to changes in the external environment and customer needs, to reduce all types of costs, and to maximise key performance indicators. These include the following:

- continuous improvement in product quality;

- addressing the shortcomings of the production system rather than individual employees;

- increasing the importance of personal initiative and responsibility;

– global restructuring of organisational structures, continuous innovation;

- improving flexibility and implementing a new strategy focused on market requirements.

In turn, achieving the outlined goals of business process reengineering requires solving a number of urgent tasks:

- reduction of business process execution time, which increases productivity and accelerates capital turnover;

- optimisation of the use of resources within business processes, which helps to reduce the company's costs;

- creation of business processes that can be quickly adapted to new technologies and available resources, changes in customer needs and the competitive environment;

– establishment of effective schemes of interaction with suppliers and customers to increase profits and optimise cash flows.

The key differences between reengineering and optimising current processes are therefore the radical nature of the transformations, the fundamental nature of the scale of the strategy changes and the leapfrogging nature of the changes, which implies a sharp increase in efficiency as a result of implementing a new business process model.

#### **3** The Factor of Inclusion in the Business Process Reengineering Procedure

As an element of the management system, the process of business process reengineering is always subject to a number of defining principles, the most important of which are: decentralisation (extending the autonomy of employees in making decisions in order to speed up work processes); integration (reengineering involves combining several processes to avoid unnecessary division, reducing the number of participants and unproductive interactions between processes); variability (developing and elaborating additional options for implementing business processes for greater flexibility and adaptability).

At the same time, traditional concepts of business process reengineering in the management practice of Ukrainian companies usually do not take into account the principle of inclusiveness and, therefore, the inclusion factor.

Inclusion in the organisation of a company's business processes refers to the creation of a work environment in which every employee has the opportunity to participate and contribute to the common cause, regardless of their physical, mental or psycho-emotional characteristics, including disabilities. By the end of 2023, more than 3 million people with disabilities will be registered in Ukraine, representing almost 10% of the country's population. Therefore, the further development of business structures is impossible without ensuring decent and barrier-free conditions for the development and realisation of the potential of each individual (Pshenychna M., 2023).

Since inclusion is aimed at supporting diversity and creating a favourable environment for all employees, business process reengineering should take into account the following inclusion factors in the organisation of the enterprise:

- company policy and culture – implementation of an educational component on an inclusive approach, in the context of developing understanding and respect for diversity;

- consideration of an inclusive approach in hiring – creation of workplaces and areas adapted to the needs of persons with disabilities, instructions, job descriptions, and so forth;

- active participation of employees with disabilities in tactical and strategic decision-making to better implement inclusive standards and bring the company's products and services closer to the needs of the growing number of potential customers with disabilities who have become victims of the hostilities in Ukraine;

- conscious management - not declarative, but actual compliance with the principles of diversity and inclusion in all aspects of the business entity's activities.

Ensuring an inclusive working environment not only improves the corporate climate, but also helps to retain and attract talented employees, increases job satisfaction and fosters innovation.

Based on the material presented above, it is clear that the restructuring of business processes in the direction of conscious and socially responsible entrepreneurship in Ukraine already requires taking into account the inclusiveness factor in business process reengineering procedures. Therefore, it is advisable to formulate the strategic goal of radical change and to critically analyse the existing business process model through the prism of an inclusive approach. The identification of key operations and the assessment of their efficiency should not only ensure the desired financial result from operations, but also contribute to the achievement of sustainable development goals. In turn, the creation and implementation of a new business process model should be accompanied by technical and technological innovations, radical changes to ensure the efficiency of operations and a qualitative transformation of existing approaches to the training and management of human resources.

## 4 Conclusions

In the context of the ongoing war and the active phase of hostilities on the territory of Ukraine, the priority task of domestic enterprises is to implement large-scale anti-crisis measures. Thus, in order to overcome the negative impact of external factors of the working environment, a radical restructuring of internal processes of enterprises through reengineering becomes an important key to success.

Business Process Reengineering is а strategic approach to reviewing, optimising and transforming key business processes to improve their productivity, efficiency and competitiveness. In view of the catastrophically high growth rate of the number of people with disabilities, both among the skilled workforce and among various groups of civilians in the war, the priority vector of change in the business policies of domestic companies should be to achieve a high level of inclusiveness. Inclusive business development involves creating conditions for the anti-discriminatory participation of all employees, regardless of their individual characteristics.

In this context, business process reengineering can make a significant contribution to achieving inclusive development of enterprises through the following aspects:

1. Analysing the compliance of business processes with the principles of inclusiveness and improving the operational cycle by taking into account the needs of employees with disabilities, creating a barrier-free architectural environment and equal access to workplaces and technological processes.

2. Implementation of advanced digital technologies and digital solutions, including specialised applications and technological tools to support the work of people with disabilities.

3. Training and development of staff to deepen their knowledge of sustainable development goals, inclusive business principles and understanding of the conditions and formats for effective disclosure of human resources potential in a team environment.

4. Creating and maintaining an inclusive corporate culture based on the principles of inclusiveness, equality and respect for diversity.

Reengineering business processes in the context of inclusive business development allows for more flexible and open organisations, aimed at supporting different needs and ensuring the effective use of the working potential of all employees. This approach, in turn, will ensure effective employment of people with disabilities at the macro level, facilitate sectoral restructuring and adaptation of business processes to the new realities of the current historical era, and have a positive impact on the functioning of the country's financial system.

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