

INCREASING ORGANIZATION'S PERFORMANCE BY DRIVING BUSINESS AGILITY AND OPERATIONAL EXCELLENCE THROUGH BPM

*Authors: Valentina Nikolova-Alexieva¹, Toni Mihova²,
Mina Angelova³, Magdalena Damianova-
Bakardzhieva⁴*

¹ Associate Prof., PhD at Department of Industrial Business and Management, University of Food Technologies- Plovdiv, Bulgaria; e-mail: valentina_nikolova@abv.bg

² Associate Prof., PhD at Department of Industrial Management, Technical University - Sofia, Branch Plovdiv, Bulgaria; e-mail: expert2009@abv.bg

³ Head assistant at Faculty of Economics and social sciences, Plovdiv University "Paisii Hilendarski", Bulgaria,
e-mail: mina.marinova@abv.bg

⁴ PhD student at Department of Industrial Business and Management, University of Food Technologies -Plovdiv, Bulgaria

Abstract

In terms of becoming and remaining competitive as well as successful, a business should boost its processes continuously. If it fails to do so, it can result in lower revenues, higher costs, fewer satisfied clients, and lesser motivated employees. Business Process Management (BPM) is a strong tool that can be used by a business for keeping every aspect of operations running ultimately. The focus of the research was to measure the process maturity and management' mindset exhibited through innovativeness, creativity, business alertness and risk taking and how these attributes contributed to the organizational performance. The research focused on a population of 378 enterprises from food industry based in South-Central region of Bulgaria. A questionnaire was used to collect data from a sample of 176 enterprises which were selected through stratified random sampling method. Collected data were analyzed using descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS). Correlation and multiple regression analysis were employed to analyze the data and test the hypotheses. The study revealed

that innovativeness, creativity, business alertness and risk taking were significant for successful implementation of BPM and affecting performance of Bulgarian enterprises. The study concluded that management's mindset or lack of it has a major effect on business performance and if any organization is bended towards development and growth, it would have to embrace the concept of BPM.

Keywords: *business process management; process change; process maturity; managerial mindset*

Introduction

Management of business processes represents a comprehensive approach to the implementation of an organisation's objectives, and the aim of managing business processes is to increase effectiveness of actions within an organisation. As Chesbrough¹ stresses, due to continuous and abrupt changeability of conditions, enterprises that want to function effectively in today's conditions have to create new features, behaviour and attitudes, which will represent their adequate response to the reality undergoing global transformation. Managers of enterprises should use their methodical potential to identify, diagnose and project emerging business models. As Thompson and Strickland² notice, a business model is not a theoretical concept, but one of the fundamental conditions of success, as a necessary instrument in companies' strategies of action. The identification of key processes occurring in enterprises enables a more effective management of an organisation and becomes the key to success for more and more companies.

In developing economies such as Bulgaria, one of the biggest problem is to propel people unleash the entrepreneurial mindset in their business endeavour and avoid the common practice of duplicating products found among many traders. The mindset of the entrepreneur determines the business success in today's competitive market. Entrepreneurship refers to the ability to recognize or create an opportunity and take action aimed at realizing the innovative knowledge practice or product. It does not aim at the realization of monetary profit, but focuses on opportunities with the goal to improve the production³. McGrath & MacMillan (2000) explain that entrepreneurial mindset manifests through innovation, creativity, business alertness and risk taking. Entrepreneurial innovativeness portrays organizational willingness and a tendency to achieve the desired innovation demonstrated in terms of behaviors, strategies, activities and processes. Empirical research and surveys of business activities show that innovation leads to new products and services, better quality, and lower prices. Businesses that have a strong track record of successful innovation also tend to enjoy significant competitive advantages and increased enterprise value. Creativity in an entrepreneur is critical for it result in three exhibits. These are; knowledge, which refers to having relevant understanding an

¹ Chesbrough, H., Rosenbloom, R.S., *The role of the business model in capturing value from innovation: evidence from Xerox Corporation's technology spin-off companies*, Oxford Journals, Social Sciences, Industrial and Corporate Change, 11(3), 2002, pp.529

² Thompson, A.A., Strickland, A.J., *Strategic Management: Concepts and Cases*, McGraw-Hill, New York, 2003.

³ Brown, T. E., & Ulijn, J. M., *Innovation, entrepreneurship and culture: the interaction between technology, progress and economic growth*. Cheltenham, UK; Northampton, Mass, 2004

individual brings to bear on a creative effort, creative thinking which shows how people approach problems and depends on personality and thinking style and finally motivation acting on an intrinsic passion that drives one to perform better. Business alertness is the capability to respond at the right time to the dynamics of the environment. This is critical in creating a competitive edge in a very fast changing market. The extent to which an entrepreneur exhibits these three attributes determines whether a manager has entrepreneurial mindset or not and that is what makes a difference in business performance⁴. According to Dhliwayo and Vuuren, (2007) risk taking is an important element of the strategic entrepreneurial mindset⁵. This is because risk taking is essential for the success and growth of a business, which is based on how managers perceive and manage the risks in their environment. Observations have also shown that many businesses stagnate while others show remarkable performance in terms productivity, profitability, or expanded market size. These variations in performance of enterprises from the food industry in Bulgaria triggers the need to investigate the role of entrepreneurial mindset of managers manifested through innovativeness, creativity, ability to recognize business opportunity (business alertness) and risk taking. Hence, this study is carried out to examine the effect of process maturity and managerial mindset on the implementation of BPM concept and boosting performance of food industry' enterprises in Bulgaria.

The aim of this paper is to measure the process maturity and management' mindset exhibited through innovativeness, creativity, business alertness and risk taking and how these attributes contributed to the organizational performance. The research focused on a population of 378 enterprises from food industry based in South-Central region of Bulgaria. A questionnaire was used to collect data from a sample of 176 enterprises which were selected through stratified random sampling method. Collected data were analyzed using descriptive and inferential statistics with the aid of Statistical Package for Social Sciences (SPSS). Correlation and multiple regression analysis were employed to analyze the data and test the hypotheses. The study revealed that innovativeness, creativity, business alertness and risk taking were significant for successful implementation of BPM and affecting performance of Bulgarian enterprises. The study concluded that management's mindset or lack of it has a major effect on business performance and if any organization is bended towards development and growth, it would have to embrace this concept.

Literature review

Business process management in an enterprise is an approach to management that is focused on optimizing the ways business processes are performed in organizations. According to Chesbrough and Rosenbloom, business processes should be based on the way business activity is conducted in a company, which has to generate revenue in order to survive. Davenport defines a (business) process as a structured, measured set of activities designed to produce a specific output for a particular customer or market. It implies a strong emphasis on how work is done within an organization, in contrast to a product focus's emphasis on what is done. A process is, thus, a specific ordering

⁴ Alexieva V., Angelova M., *Opportunities for Raising the Entrepreneurial Culture – a Factor for Competitiveness of the Bulgarian Economy*, International Journal of Entrepreneurship and Small Business, Inderscience Publ., 2017

⁵ Dhliwayo, S.V. & Vuuren, J.J. *The strategic entrepreneurial thinking imperative*. Accounting Communication, 2007

of work activities across time and space with a beginning and an end and clearly defined inputs and outputs: a structure for action. Taking a process approach implies adopting the customer's point of view. Processes are the structure by which an organization does what is necessary to produce value for its customers. A business process is a complete, dynamically coordinated set of activities or logically related tasks that must be performed to deliver value to customers or to fulfil other strategic goals. Every element of the activity of an enterprise should be subject to an effective management. From this perspective, business process management can be defined as all efforts in an organization to analyze and continually improve fundamental activities such as manufacturing, marketing, communications and other major elements of company's operations. Business process management is a comprehensive approach to realizing efficient and effective business processes in an organization. The purpose of business process management is to increase the efficiency and effectiveness of organizational processes through improvement and innovation. The approach of describing organizations in terms of business processes not only helps organizations to be more responsive to environmental changes but also helps them to overcome the problems due to functional differentiation.

BPM uses an integrated set of corporate capabilities, including strategic alignment, governance, methods, technology, people, and culture, to analyze, design, implement, continuously improve, and disruptively innovate organizational processes (Vom Brocke and Mendling, 2018). BPM's roots in early studies of **organizational design (Taylor, 1911) then developed into the broader discipline of industrial engineering and has since remained focused on the analysis of operational activities in the dominant manufacturing sector. BPM is about managing entire chains of events, activities, and decisions that ultimately add value to the organization and its customers (Dumas et al., 2013).**

Business process management (BPM) is the discipline of improving a business process from end to end by analyzing it, modelling how it works in different scenarios, executing improvements, monitoring the improved process and continually optimizing it (Rouse, 2015). BPM is not a one-time task, but rather an ongoing activity that involves persistent process re-engineering. It often involves automating tasks within any given business process, although BPM is not a technology, and process improvements can happen outside of automation and without technology. Organizations engaged in BPM can choose to follow one of the various BPM methodologies, which include Six Sigma and Lean. Many authors present scientific methods to evaluate BPM products by defining a set of criteria for each BPM phase except the optimization phase (Koster, 2009). Also, as reported by Simmons (2013), the author focuses on the objectives of performing BPM design. As well as cited in Wetzstein et al. (2007), the authors identify the new functional requirements for a Semantic Business Process Management (SBPMS) for each phase of the BPM lifecycle and explain the benefits of adopting semantic technologies in SBPM. The authors specify requirements, rather than solutions and metrics.

BPM consists of multiple steps. Some BPM experts list five steps (designing, modeling, executing, monitoring, optimization), while other experts list six or more

steps and/or use different names for these steps (i.e., analyze, model, implement, monitor, manage, automate). A research of Klun and Trkman (2017) presents the developed subthemes of BPM in the form of clusters. The focus within the field has shifted from facilitating wide-ranging business performance improvements to creating introverted optimizations within a particular BPM subgroup. The BPM field has thus experienced strong fragmentation throughout the years and has accrued into self-fueling subareas of BPM research such as business process modeling and workflow management.

Despite the variances in the number and names of the steps, the components of the BPM lifecycle generally include:

- Design the business process as it should ideally exist and analyze the process as it currently exists and what is needed to improve it;
- Model, or consider, how the business process operates in different scenarios;
- Implement, or execute, improvement solutions, including standardization and process automation;
- Monitor improvements; and
- Continue to optimize the business process.

In its most basic description, BPM means understanding business processes to ensure they run efficiently and are continuously improved. There are three main components of BPM: management approach, methodology and technology. In order to meet market demands and produce valuable goods and services, a company's management team typically defines processes, classifies measurements, tracks performance and **goals** and works to improve processes. BPM is also a methodology that involves the steady cycle of improving business processes. It helps businesses advance business practices by means of phases, activities and techniques. BPM technology often includes software that can map and record business processes to enhance analytics and communication. This technology helps automate activities and track business projects and performance. In essence, BPM technology helps businesses have a clear understanding of various processes within the company in order to boost performance, quality and efficiency.

Executing business processes successfully is not always an easy task. There are numerous challenges which arise, including:

- Bottlenecks – the slowing or halting of a process at a specific stage due to a human/machine error or difficulty.
- Duplication of work and redundancy – inefficient processes often have areas that are repeated or unnecessary.
- Lack of visibility – management does not have a way of viewing where processes stand, what their status is, and how they are performing generally, and specifically.
- Integration issues – process technology does not always integrate well with existing systems, causing communication gaps and malfunctions.

An effective BPMS (Business Process Management Suite) should take into account the above challenges, and provide a set of tools to handle and alleviate them. Some of these tools include:

- Management Dashboards – these can address the problems of visibility and bottlenecks.

- Verification and Error Handling – most BPMSs include a module which finds and helps solve errors and malfunctions.
- Integration Wizards – these can help integrate the BPMS with common ERP/CRM and other systems, preventing the need for error-prone coding.
- Collaboration Tools – developers who can easily collaborate and view each other's work are able to help prevent duplication of work and redundancy.

In view of the multidisciplinary nature of prior research, there are varying definitions of managerial mindset and it is problematic to determine an exact meaning of it. Entrepreneurial mindset is simply defined as the feelings and the belief of a particular ability to think out of the box⁶. Scholars have described the entrepreneurial mindset as that ability to repeatedly initiate new product or service ideas, reconverting all resources into new uses, bringing new ideas from many sources. Ideas must be generated, resources assembled, the new product or services produced and delivered to users (Lackéus & Williams, 2015, Lackéus, 2016). In this study, entrepreneurial mindset is considered a holistic perception of generating novel ideas, evaluating opportunities and risks, or starting and running a business, whereby an individual internally assesses his or her perceptions based on holistic rather than functional attributes. An entrepreneurial mindset indicates a way of thinking about business and its opportunities that capture the benefits of uncertainty (Dhliwayo and Vuuren, 2007). According to Seneges (2007), it portrays the innovative and energetic search for opportunities and facilitates actions aimed at exploiting opportunities⁷. Establishing an entrepreneurial mindset is important to sustain the competitiveness of economic organizations and the socioeconomic lifestyle of the population through value and job creation. This importance is portrayed in the sense it enables supporters of new ideas to establish organizations with new valuable ideas, which are resourced and developed in an encouraging and enabling culture (Thompson, 2004). An enterprising mindset is about having a way of thinking, which sees opportunities, rather than barrier, that sees possibilities rather than failure and wants to do something to make a difference rather than sit and complain about the problems (Rouse, 2015). McGrath and MacMillan (2000), further assert that individuals/enterprise owners and managers capture these benefits in their search and attempts to exploit high potential opportunities commonly associated with uncertain business environments. The inability of enterprises to either create more job opportunities or grow is because of the perceived “mindset” of its owners/managers-identified as one of the major causes of enterprises failure rates. Managers/individuals with an entrepreneurial mindset see needs, problems and challenges as opportunities and develop innovative ways to deal with the challenges, exploit and merge opportunities. McGrath and MacMillan (2000) argue that, possession of an entrepreneurial mindset is a primary way managers can successfully move forward in an entrepreneurial process. Dhliwayo and Vuuren, (2007) emphasize that an entrepreneurial mindset is an important success factor for companies without which a business will fail. Morris

⁶ Leeds, UK. & Lackéus, M., *Developing Entrepreneurial Competencies - An Action-Based Approach and Classification in Education*, Licentiate Thesis, Chalmers University of Technology, 2013

⁷ Seneges, M., *Knowledge entrepreneurship in universities: strategy of Internet based innovation appropriation*, 2007

and Kuratko (2002), also argue that the current business environment needs an entrepreneurial mindset that must unlearn traditional management principles in order to minimize the high failure rates of companies. This particular argument opens managers /enterprises to modern styles of consciousness and securing them a place in modern business world. Also important is the fact that owners/managers need to develop “creative mindsets” that will help them create new ideas and bring them to the market in an appropriate way that can create value for an external audience. McGrath and MacMillan (2000) identify some characteristics of the entrepreneurial mindset to include: passionately seeking new opportunities; pursuing opportunities with enormous discipline; pursuing only the very best opportunities; focusing on execution; and engaging everyone’s energy in their domain.

Business performance is of key interest for the top management of a company. If business performance is weak, managers need to intervene in order to return to the path of growth. Especially in a market in which competition is increasing and globalization demands for better competitiveness, business leaders need to pay close attention to business performance. All business processes eventually revolve around the target of contributing to the success of the company in one way or another. Business success indicates the level of achievement and how much the small business is near or far from its target. Business success can be measured based on many different dimensions such sales growth, capital, increase in employment, increase in production line and others. According to Barney (1991) performance is a continuous process to controversial issue between organizational researchers.

Organizational performance does not only mean to define problem but it also for solution of problem. Daft (2000), said that organizational performance is the organization’s capability to accomplish its goals effectively and efficiently using resources⁸. As similar to Daft (2000), Richardo and Wade (2001) said that achieving organizational goals and objectives is known as organizational performance. Richardo and Wade (2001) suggested that organizations success shows high return on equity and this become possible due to establishment of good employees performance management system. Performances are variously measured and the perspective are tied together and consistently monitored from the organization context (Leeds et al. 2013). Tanveer et al. (2013) defined the dimensions of performance measurement as: growth, profit, size, liquidity, success/failure and others⁹. Rouse (2015) defines organizational performance as a systematic process for improving functioning of organizations by developing the performance of individuals and teams. Organizational performance comprises the actual output or results of an organization measured against its intended outputs (organizational goals and objectives).

Innovation is defined as the introduction of new things, ideas, or ways of doing things/something, which is yet to be carried out by anyone or that is unique. Innovation is described as the introduction of new or improved processes, products

⁸ Daft, R., Organization Theory and Design. (7th Ed.) U.S.A: South-Western College Publishing, T. Learning. U.S.A, 2000

⁹ Tanveer, M. A., Akbar, A., Gill, H. & Ahmed, I. . Role of Personal Level Determinants in Entrepreneurial Firm’s Success. Journal of Basic and Applied Scientific Research, 2013,pp.449-458.

or services based on new scientific or technology knowledge and/or organizational know-how (Rebound, 2008).

Innovation is the successful implementation of novel ideas within an organization. Innovation can be viewed as a novel idea that has been implemented and generally accepted which makes an organization unique or produce a unique product or services. Leeds et al. (2016) stated that innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or a different service. Innovativeness is an organization's tendency to engage in and support new ideas, novelty, experimentation, and creative processes that may result in new products. In its original sense, innovativeness can be defined as the degree to which an individual or other entity is relatively earlier in adopting new ideas than the other members of a system (Wetzstein, 2014). Similarly it is the tendency to support new ideas, experimentation and creative processes (Lumpkin & Dess, 2001).

Creativity means the production of novel and useful ideas in any domain. Creativity refers to the generation of novel, useful idea, and employees' ability to create new practical ideas. It is the start point of innovation. Creativity can be defined as the creation of something new which is in turn manifested in the act of starting up and running an enterprise (Lackeus et al. 2015). Creativity is therefore central to entrepreneurial process. It is that capability of an entrepreneur to venture into new business, to bring new products into the market, open new offices, branches, test new technology and venture into new markets. Creativity has been viewed as the construction of ideas or products which are new and potentially useful.

Kirzner was the first to use the term "alertness" in explaining the entrepreneurial process of opportunity recognition¹⁰. Alertness is defined as a process and perspective that helps some individuals to be more aware of changes, shifts, opportunities and overlooked possibilities (Kirzner, 1997). In taking the economics perspective, Kirzner (1999) further elaborated alertness as the ability to notice, without search, opportunities that have been overlooked

The concept of risk-taking has been long associated with entrepreneurship. Early definition of entrepreneurship centered on the willingness of entrepreneurs to engage in calculated business risks. Lumpkin and Dess (1996), Oscar, et al, 2013 identified venturing into the unknown as a generally accepted definition for risk taking, though may be difficult to quantify. This is because, in addition to monetary risk, it typically entails psychological and social risks (Lumpkin & Dess, 1996, Oscar et al. 2013). Meta-analysis investigating the relationship between risk-taking and performance found positive correlation between the two elements. To create a better method for gathering the investigation aims and realizing the tasks are preliminary formulated the next basic hypothesis:

Ho1: Innovativeness has no significant effect on the performance of food industry's enterprises in Bulgaria.

¹⁰ Kirzner, I. M., *Entrepreneurial Discovery and the Competitive Market Process: An Austrian Approach*. Journal of Economic Literature, 35, 1997, pp.234-243; *Creativity And/or Alertness: A Reconsideration of the Schumpeterian Entrepreneur*. Review of Austrian Economics, 11, 1999, pp. 67-89.

Ho2: Creativity has no significant effect on the performance of food industry's enterprises in Bulgaria.

Ho3: Business Alertness has no significant effect on the performance of food industry's enterprises in Bulgaria.

Ho4: Risk taking has no significant effect on the performance of scale enterprises food industry's enterprises in Bulgaria.

Research methodology

A survey research design was used in this study. This enabled the researcher to collect responses of owners/managers of food industry' companies in South-Central Bulgaria, with regards to the study variables. The total population was 356 licensed companies established in Plovdiv and region. The population statistics was obtained from Bulgarian Chamber of Commerce and Confederation of the Employers and Industrialists in Bulgaria – CEIBG. Stratified sampling was used to select 176 companies from food industry. A stratified random sample was a useful blend of randomization and categorization, which enabled both a quantitative and qualitative process of study to be undertaken.

The study used a structured questionnaire in data collection. The questionnaire was carefully designed and administered to the respondents. The questionnaire was designed on a four point Likert-Scale which ranged from strongly agree (4 points), agree (3 points), disagree (2 points) and strongly disagree (1 point). The items were structured to capture information on the dependent variable (organizational performance) and the independent variables (innovativeness, creativity, business alertness and risk taking).

Factor analysis was used in this study to measure the validity of the instrument. Exploratory Factor Analysis (EFA) and Confirmatory Factor Analysis (CFA) were used to assess the construct validity of each variable in the study. At 1% level of significance, the result shows that the data is highly significant ($p < 0.001$). The result shows that the Kaiser- Meyer-Olkin (KMO) which measures the sample adequacy was 0,598 while the Bartlett's Test of Sphericity was significant (App. chi-square= 267.889, sig. = .000) which indicates the sufficient inter correlations of the factor analysis. Also, before the questionnaire was administered to the management of the selected compnies, the researcher tested its reliability by conducting a pilot research on fifty-nine ($1/3 \ 176 = 59$) managers in Plovdiv and region. The Cronbach's coefficient alpha was applied on the results obtained to determine how items correlate among them in the same instrument. Cronbach's coefficient Alpha of more than 0.7 was taken as the cut off value for being acceptable which enhanced the identification of the dispensable variables and deleted variables. \It is evident through the Cronbach's Alpha values that the reliability coefficients of all the study variables are high and suitable for the current study objectives.

Table 1. Reliability coefficients of the study variables

<i>Variables</i>	<i>№ of items</i>	<i>Reliability coefficients</i>
<i>Innovativeness</i>	<i>5</i>	<i>0,897</i>
<i>Creativity</i>	<i>3</i>	<i>0,763</i>
<i>Alertness</i>	<i>3</i>	<i>0,812</i>
<i>Risk-taking</i>	<i>4</i>	<i>0,754</i>
<i>Organizational performance</i>	<i>6</i>	<i>0,824</i>
<i>Overall Reliability</i>		<i>0,798</i>

Source: Own field survey, 2017

The study conducted initial data analysis using simple descriptive statistical measures such as, mean, standard deviation and variance to give glimpse of the general trend. However, correlation analysis was used to determine the nature of the relationship between variables at a generally accepted conventional significant level of $P=0.05$. In addition, multiple regression analysis was employed to test the hypotheses. Multiple regression analysis is applied to analyze the relationship between a single dependent variable and several independent variables. The study also utilize variable inflation factor (VIF) to handle the issue of Multicollinearity.

This study is anchored on two major variables namely; the independent variable (managerial mindset) and the dependent variable (organizational performance). The beta (β) coefficients for each independent variable generated from the model, was subjected to a t –test, in order to test each of the hypotheses under study. The regression model used to test is shown below:

$$OP = f(\text{MM}) y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \beta_4 x_4 + \varepsilon \quad (1)$$

where; y = Organizational Performance; α – Constant; β_1 , β_2 , β_3 and β_4 - Coefficient estimates; X_1 – Innovativeness; X_2 – Creativity; X_3 - Business Alertness; X_4 - Risk-taking and ε - Error term.

All the above statistical tests were analyzed using the Statistical Package for Social Sciences (SPSS), version 1. All tests were two-tailed. Significant levels were measured at 95% confidence level with significant differences recorded at $p < 0.05$.

Analysis and results

The distribution of respondents by gender revealed that 90 sampled respondents (representing 51,2 %) were males while (representing 48.8 %) were females. This implies that most of the respondents were males. The result also shows that, 57 respondents (representing 32.6 %) were 18-27 years old, 68 respondents (representing 38.4 %) were between 28 and 37 years while 33 respondents (representing 18.7 %) were within the age range of 38-47 years and 18 respondents (representing 10.3 %) were 48 years and above. ***This age distribution showed that the respondents were mature enough to understand the subject matter of the research.*** The distribution of the respondents by educational qualification revealed that, 50 respondents (representing 28.7 %) had secondary school qualification, 85 respondents (representing 48.8 %) respondents had tertiary level qualification while 40 respondents (representing 22.5 %) had professional qualifications. This distribution of the respondents' educational qualification represents ***a very literate sample that can provide valid information on the subject matter under study.*** Finally, the result showed that 37 respondents (representing 20.9 %) had 15 years' experience, 55 (representing 31.2 %) respondents had experience between 6 and 10 years. Also, 35 respondents (representing 19.9 %) respondents have 11-15 years business experience while 27 respondents (representing 15.5 %) had experience from 16–20 years and 22 respondents (representing 12.5 %) had experience doing business from 21 years and above. ***This gives a representation of people who had better understanding of the subject under study.***

Table 2. Correlations statistic for relationship between variables

<i>Variable</i>	<i>Organizational performance</i>	<i>Innovativeness</i>	<i>Creativity</i>	<i>Business Alertness</i>	<i>Risk-taking</i>
<i>Organizational performance</i>	1				
<i>Innovativeness</i>	0,503	1			
<i>Creativity</i>	0,402	0,521	1		
<i>Business Alertness</i>	0,469	0,398	0,456	1	
<i>Risk-taking</i>	0,458	0,302	0,354	0,421	1

* Correlation is significant at the 0.01 level (2-tailed).

Pearson's measures the strength and direction of the linear relationship between variables. From the results, a significant relationship exists between the variables (table 2). *Innovativeness* was shown to contribute 50.3% of the change in organizational performance as indicated by the correlation coefficient value of 0.503 which is significant at $\alpha = 0.01$. *Creativity* was positively correlated to organizational performance as indicated by correlation coefficient value of 0.402 indicating that the creativity was a significant factor and contributed up to 40.2% of the change in organizational performance. *Business alertness* was also shown to contribute 46.9% of the change in organizational performance as indicated by the correlation coefficient value of 0.469 which is significant at $\alpha = 0.01$. The correlation for *risk taking* showed that 45.8% of the change in organizational performance was significantly accounted for by risk taking as shown by correlation coefficient value of 0.458 (significant at $\alpha = 0.01$). This paves way for multiple regression analysis.

Table 3. Multicollinearity analysis test for independent variables

<i>Dimensions of managerial mindset and process maturity</i>	<i>Tolerance</i>	<i>VIF</i>
<i>Innovativeness</i>	0,856	1,512
<i>Creativity</i>	0,899	1,102
<i>Business Alertness</i>	0,732	1,459
<i>Risk-taking</i>	0,458	1,701

Results in table 3 showed that the VIF value for all the estimated parameters was found to be less than 4 and the tolerance values are more than 0.2 which indicate the absence of multi-collinearity among the independent variables of the study. This implies that the variation contributed by each of the independent factors was significant independently and all the factors should be included in the prediction model.

Table 4. Multiple regression model

<i>R</i>	<i>R²</i>	<i>Adjusted R²</i>	<i>Std. error of the estimate</i>	<i>Durbin Watson</i>
0.920*	0.832	0.732	0.901	1.598

*Predictors: (Constant), *innovativeness*, *creativity*, *business alertness*, *risk taking*

**Dependent variable: *organizational performance*

The study assessed the contribution of the independent variables on dependent variable. The findings of the study in table 4 illustrates multiple regression model had a coefficient of determination (R^2) of about 0.832. This means that 83.2% variation of SMEs performance is explained by joint contribution of *innovativeness*, *creativity*, *business*

alertness and risk-taking. The findings are supported by ANOVA (F test) results that the model was fit or none of the parameters was equal to zero hence significance adjusted R square ($F = 28.831$, $\rho < 0.05$). In addition, Durbin Watson test had value less than two indicating minimal autocorrelation with no effect on the study output (Watson value = 1.598). The rule of thumb was applied in the interpretation of the variance inflation factor which states that a principle with broad application that is not intended to be strictly accurate or reliable for every situation.

Table 5. F test results (ANOVA)

	<i>Sum of squares</i>	<i>Df</i>	<i>Mean square</i>	<i>F</i>	<i>Sig</i>
<i>Regression</i>	8,831	4	9,762	28,831	0,000**
<i>Residual</i>	9,002	198	7,23		
<i>Total</i>	17,833	202			

* Dependent variable: organizational performance

**Predictors: (Constant), innovativeness, creativity, business alertness, risk taking

Table 6. Multiple regression model

<i>Variable</i>	<i>Coefficient</i>	<i>Std. error</i>	<i>Beta</i>	<i>t- statistics</i>	<i>Sig.</i>	<i>Tolerance</i>	<i>VIF</i>
<i>Constant</i>	3,201	0,499		4,211	0,198		
<i>Innovativeness</i>	0,433	0,001	0,398	3,280	0,006	0,856	1,512
<i>Creativity</i>	0,354	0,087	0,302	3,239	0,003	0,899	1,102
<i>Alertness</i>	0,262	0,122	0,331	2,367	0,032	0,732	1,459
<i>Risk taking</i>	0,284	0,158	0,273	2,876	0,029	0,458	1,701

* Dependent variable: organizational performance

Hypothesis one (**H01**) estimated that innovativeness has no significant effect on organizational performance. However, research findings showed that innovativeness had coefficients of estimate which was significant based on $\beta_1 = 0.398$ (p -value = 0.001 which is less than α 0.05) implying that we reject the null hypothesis stating that there is no significant effect of innovativeness on organizational performance in the companies from food industry in Plovdiv and Plovdiv region. This indicates that for each unit increase in the positive effect of innovativeness, there is 0.398 units increase in organizational performance. Furthermore, the effect of innovativeness was stated by the t-test value =3.280 which implies that the standard error associated with the parameter is less than effect of the parameter.

Hypothesis two (**H02**) stated that creativity has no significant effect on organizational performance. Findings showed that creativity had coefficients of estimate which was significant based on $\beta_2 = 0.302$ (p -value = 0.003 which is less than α 0.05) hence we reject the null hypothesis and conclude that creativity has significant effect on organizational performance in Plovdiv region. This indicates that for each unit increase in the positive effect of creativity, there is 0.302 units increase in organizational performance. Furthermore, the effect of creativity was stated by the t-test value =3.239 which implies that the standard error associated with the parameter is less than effect of the parameter.

Hypothesis three (**H03**) stated that business alertness has no significant effect on organizational performance. Research findings indicated that business alertness had coefficients of estimate which was significant based on $\beta_3 = 0.331$ (p -value = 0.032 which

is less than α 0.05) hence we reject the null hypothesis and conclude that creativity has significant effect on organizational performance in Plovdiv region. This indicates that for each unit increase in the positive effect of creativity, there is 0.331 units increase in organizational performance. Furthermore, the effect of business alertness was stated by the t-test value =2.367 which implies that the standard error associated with the parameter is less than effect of the parameter.

Hypothesis four (**H04**) stated that risk taking has no significant effect on organizational performance. However, findings of the study revealed that risk taking had coefficients of estimate which was significant based on $\beta_2 = 0.273$ (p-value = 0.029 which is less than α 0.05) hence we reject the null hypothesis and conclude that risk taking has significant effect on organizational performance in companies from food industry in Bulgaria.

This indicates that for each unit increase in the positive effect of risk taking, there is 0.273 units increase in organizational performance. Also, the effect of risk taking was stated by the t-test value =2.876 which implies that the standard error associated with the parameter is less than effect of the parameter.

Conclusion

The purpose of this study was to explore the effect of managerial mindset and process maturity on the organizational performance through BPM implementing in the companies from South-Central Bulgaria. Managers/owners with an entrepreneurial mindset see needs, problems and challenges as opportunities and develop innovative ways to deal with the challenges, and exploit and merge opportunities through implementing BPM tools. Acquiring an managerial mindset and process maturity requires re-learning how to motivate themselves, identify business opportunities, take risk, and become creative and innovative. From the foregoing discussion, it can be concluded that process maturity and managerial mindset has a direct impact on enhancing the efficiency by applying the concept of BPM in the Bulgarian companies.

The managers must be able to always scan the environment and seek new business opportunities to stay ahead of competitors, he or she must also become very innovative to improve on processes and products to remain attractive and create customer loyalty. The managers must bring new processes and products into the market and companies must take modest levels of risk in order to succeed.

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