Journal of Intercultural Management
Vol. 12 | No. 1 | March 2020 | pp. 58–77
DOI 10.2478/joim-2020-0032

Marta Mazur-Małek
University of Tartu, Tartu, Estonia
mazur.malek@yahoo.com
ORCID ID: 0000-0001-8546-4004

Process Management: the Case of the Foreign and Commonwealth Office

ABSTRACT

Objective: The objective of the article is to mark the introduction of process changes in relation to the Emergency Travel Document service by The Foreign & Commonwealth Office. The paper analyses the changes and relates them to process and cost management strategies. Thus, it presents how process efficiency may be managed

Methodology: The article is of a theoretical and practical nature. The method used in the theoretical part is a review of literature on process management. The second part includes an analysis of The Foreign & Commonwealth Office's own documents.

Findings: The use of digitalization greatly facilitates the process for British citizens who are abroad and need to obtain a travel document. This facilitation applies to both customers and FCO employees. Numerous factors influence the processing time reduction, which in turn increases productivity.

Value Added: This article presents an example of the practical use of digitization in the process of issuing the Emergency Travel Document. The value is to show the impact of modern technologies on improving the processes for the organization itself (in the form of optimizing operational costs and increasing efficiency) and for the customers.

Recommendations: The use of digitization can be successfully implemented to streamline organizational processes. It can help in reducing their time and limiting human involvement. Increased productivity lowers the cost of a single unit of the service. The changes allow for a more standardized and repeatable service. The approach can be used to manage processes in any organization; though practical implications outlined in the text can serve as an example for other organizations offering similar services.

Key words: digitalization, Emergency Travel Document, The Foreign & Commonwealth Office, process management, efficiency

JEL codes: D73,O14,F68

Introduction

Organizations worldwide operate in a market where time and costs are of absolute value. Striving to reduce the time it takes to perform a service, and therefore minimize its costs by increasing productivity, remains the goal for many. Cost management can be defined as any action aimed towards cost reduction. The term is most often associated with general improving of business processes as well as all efforts to increase the efficiency and optimal use of resources available in the organization (Nowak, 2006, p. 6). B. Sadowska (2015) suggests that one of the key cost management practices is a continuous work on processes improvement.

M. Chmielowiec-Lewczuk (2017) describes three cost management approaches: the Japanese approach, the Anglo-American approach, and the German approach. The Japanese approach is the oldest. It assumes that the organization focuses on its long-term goals and consistently pursues them while involving employees and decision-makers at all levels. The Anglo-American and German approaches focus primarily on the internal sphere of the organization and the quality and accuracy of information. M. Chmielowiec-Lewczuk (2017) regards these latter approaches dominant in the field of cost management.

At the beginning of the 20th century, F. Taylor defined the work of an organization as a set of tasks with specific procedures along with a manner and order of execution (Chmielowiec-Lewczuk, 2017). Management aims at planning and optimizing those activities. In the midst of the 20th century, thanks to the introduction of the first computers, it became possible to create algorithms in which a person is defined as a function of information. For several decades, computer programs, designed to understand work as a process in which existing resources are transformed into a planned result, have been used in organizations. In the 1970s, it has become widely known that, due to the understanding of work as a function of information processing, a reliable global communication system was necessary to make work as efficient as possible.

According to W. Toszewska-Czerniej (2016), service improvement can be achieved by process standardization. This is especially important in the case of an organization offering a particular service in multiple locations. Moreover, service and procedure standardization are also extremely important in the public sector as it is tasked with consistently and reliably providing its services to its "owners," so all of the members of the society. As an effective process, W. Toszewska-Czerniej (2016, p.592) defines the full and productive commitment of available resources as well as the use of time in a manner consistent with the aspirations of the employees and the employer.

P. J. Denning and R. Medina-Mora (1995) presented the process as a system of connected loops, which allows for its better understanding and modification. The authors relate the crisis in the services sector to the insufficient development of its effectiveness. Yet, the automation of the process in the production sector, as the authors suggest, has allowed for the continuous improvement of its efficiency.

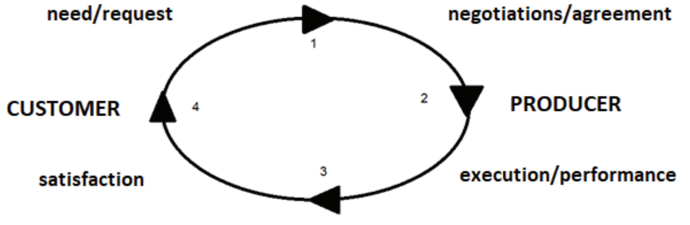
In the early 1980s, many organizations adopted Deming's method of Total Quality Management (TQM). Deming assumes that satisfying consumer needs is associated with continuous improvement and statistical monitoring. Additionally, the method implies that the employee is an internal client of the organization and his work-related needs should be met in order for both the process and the organization to succeed.

Organizational processes and their efficiency

The operation of each organization is based on the coordination of three processes: materials-related process, information-related process and the process of coordination and communication between people (Denning & Medina-Mora, 1995). The first two of these processes are associated with the classic approach to the enterprise. This approach implies that work is a function, which creates a specific product using the necessary materials and processes. All that happens inside an organization in order to perform a task (achieve a specific effect) can be expressed as a system of connected loops in which the human action is the binding agent. Only a man is able to assess the work's effect and determine who or what and how will be a part of the work. Hence, the human factor plays a major role in work performance.

A single closed loop in a process coordination system is called *workflow*. Workflow has a connecting function – it usually links two or more actors. Most often one of the parties has some expectations and the other agrees to meet them. In the most general case, it is the producer and the customer. A basic workflow model is presented in figure 1.

Figure 1. A basic workflow loop



Source: based on: Denning & Medina-Mora, 1995.

The figure depicts the relationship between the customer and the contractor (producer). The loop consists of four related stages covering:

- the emergence of a need (for a producer's product/service),
- establishing cooperation rules (price, time needed to create a product/perform a service, specific product/service details etc.),
- performance of the service/production of the product,
- final satisfaction with the course of cooperation of both the client and the contractor.

Each of the stages is to lead to the next stage, provided that it is correctly and fully completed. If any one of the stages is not completed (e.g. the customer is not satisfied with the final result of their purchase), most likely the need for the contractor's product/service will not occur again. P. J. Denning and R. Medina-Mora consider the fourth stage – the satisfaction of each party to the transaction – as the factor most often overlooked in the work of the organization. According to them, it is a source of many dangers for the organization, because it is most often not organized well enough.

A dissatisfied customer not only will not make the purchase again, but may also decide to lodge a complaint. The cost of which (the emotional cost for employees, the reputation cost for the organization and the cost of losing recurring customers) turns out to be much higher than the cost of organizing the fourth part of the workflow by implementing precise monitoring of the quality of services/products, collecting feedback from clients and drawing conclusions from it.

The relationship between the client and the contractor presented in figure 1 is a general and imprecise depiction. It is a simplified model. In reality, this one “main” loop consists of a number of other, “smaller,” loops symbolizing all the activities that an organization can influence. Those component loops can be created within each of the four basic parts of the main loop. Placing the organization’s activities in a looped connection model should include all the activities of the organization and all its members. Component loops may refer to parts of a process (activities) related to materials, information or coordination as well as interpersonal communication, depending on the organization’s activities. Thus, for instance, organizations not related to production, but data processing will find in their processes many more “information” loops than “material” loops.” According to P. J. Denning and R. Medina-Mora, these strictly “information-related” oops can be a source of specific problems in each of the four parts of the basic workflow loop as follows:

1) Emergence of a need (for a producer’s product/service): The buyer may place an order/communicate the need in a way that is unclear and incomprehensible to the contractor. The order may be forwarded to the contractor via an inappropriate or unforeseen channel.
2) Establishing cooperation rules (price, time needed to create a product/perform a service, specific product/service details etc.): The contractor may not respond to the order placing or may not sufficiently inform the buyer about the refusal to process the order. The contractor may also not provide all the necessary information to the customer. Both the contractor and the customer may be convinced of the similarity or compatibility of the expected results, although these expectations may differ significantly in the eyes of the producer and the customer. The producer may refuse to take responsibility for the effect of the product/service.

3) Performance of the product/service production: The producer may cease work without informing the customer or perform work that brings unsatisfactory results for the client.
4) Final satisfaction with the course of cooperation of both the client and the contractor: The buyer may vaguely indicate that the order has been received. The producer may not monitor the customer satisfaction levels.

P. J. Denning and R. Medina-Mora argue that none of the outlined potential problems can be eliminated entirely due to the involvement of the human factor. People can assume that the meaning of certain words or phrases is common and uniform, but this may be a false assumption, which can lead to misunderstandings. Therefore, building understanding between the producer and the customer is crucial for both parties to complete the transaction with a satisfactory result.

Additionally, a correct “closing” of each of the component loops in the workflow model is necessary to fully carry out the customer’s order. To ensure maximum efficiency of this process, new technologies are often included in the workflow structure. They are designed to replicate the process with each single order as closely and accurately as possible. P. J. Denning and R. Medina-Mora suggest, however, that in addition to the role played by Information and Communication Technology, organizational culture is also a key player. Organizational culture in this case is understood as a common way of approaching tasks by the employees.

In order to further confirm their views on employee satisfaction, P. J. Denning and R. Medina-Mora refer to research conducted by R. Marshak (1993) regarding the relationship between introduced process changes and employee satisfaction. Despite the initial decrease in both process efficiency and employee satisfaction when introducing the change, there occurred a significant increase in both factors in time, as employees got fully used to operating the modernized processes, tools or technologies. Nonetheless, it should be noted that any change introduced to the organization’s processes should be tied to a “period of adaptation” before it begins to bring the expected results.

One of the ways to increase the effectiveness of an organization's activities is to improve the service offered. This can be achieved by standardizing or coordinating of its processes. This is especially important in the case of an organization offering a particular service in multiple locations. Standardizing and coordinating processes include designing a workflow encompassing all relevant sub-processes. When each workflow loop is successfully completed, the entire process is also successful. Work in this sense means fulfilling promises or fulfilling expectations. T his fulfillment results in satisfaction with the transaction for all (both) parts of the transaction. This approach assumes effort directed towards the efficiency of the processes, but also the customer's satisfaction.

The purpose of the article is to mark the introduction of process changes in relation to the Emergency Travel Document service by The Foreign & Commonwealth Office. The paper analyses the changes in the process and relates them to process and cost management strategies. Thus, it presents how process efficiency may be managed. The article is of a theoretical and practical nature. The method used in the theoretical part is a review of literature on process management. The second part includes an analysis of The Foreign & Commonwealth Office's own documents.

Research methodology

The Foreign and Commonwealth Office (FCO) is a unit of the British government responsible for foreign operational cooperation at the economic, political and social level. The FCO is tasked with promoting UK interests abroad as well as supporting British citizens and businesses around the world. The Foreign and Commonwealth Office operates a worldwide network of embassies and consulates, employing over 14,000 employees in almost 270 diplomatic missions.

The FCO's (Commonwealth Office 2016) consular department's strategy for 2016–2020 defines the duties of a consular officer. One of them is issuing a temporary travel document called the *Emergency Travel Document* (ETD). This paper includes an analysis of the Emergency Travel Document project aiming to improve one of the services of the consular section of the British Embassy in Warsaw.

As per the FCO decision, the pilot project of issuing ETDs remotely began in the British Embassy in Warsaw in October 2017 and lasted until January 2019. The process of issuing ETDs has been digitalized since. No paperwork was necessary to produce the travel document which allowed the remote processing based in Warsaw. The region, founded for the pilot purposes, included a central unit – the consular section of the British Embassy in Warsaw. It covered 11 diplomatic units located in nine countries as follows:

- Poland – the British Embassy in Warsaw;
- Austria – the British Embassy in Vienna;
- Switzerland – the British Embassy in Bern;
- Luxembourg – the British Embassy in Luxembourg;
- Germany – the British Embassy in Berlin, the British Consulate in Munich, and the British Consulate in Dusseldorf;
- Denmark – the British Embassy in Copenhagen;
- Finland – the British Embassy in Helsinki;
- Estonia – the British Embassy in Tallinn;
- Slovakia – the British Embassy in Bratislava.

The main subject of the work is the improvement of organizational processes based on the findings of the ETD pilot project. The research methods used are a review of literature on the subject of process management and cost management and the analysis of documentation related to the implementation of the project.

Research thesis and questions

The thesis of this paper assumes the possibility of improving organizational processes through the use of digitalization. The research questions were divided into two groups. The first group contained the following question: How is the process improved?

The second group included the following research questions:

Are streamlined processes faster to perform?

Are streamlined processes cheaper to perform?

Do streamlined processes require fewer actors?

The first question referred to the workflow theory and was based on process loops, while the questions from the second group were related to the empirical process of ETD introduction.

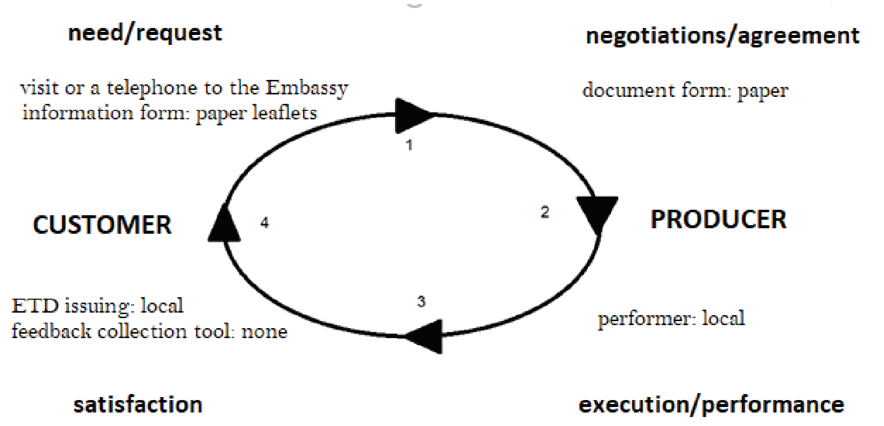
Research results

By comparing data collected during the project and before its start, and especially by comparing data from its very beginning and end, one can determine if and how much has the total time of ETD issuing been cut down. The improvement of the process as a whole was influenced by the improvement of its individual parts. The operation of each organization is based on the coordination of three processes: the materials-related process, the information-related process and the process of coordination and communication between people (Denning, Medina-Mora, 1995). All three types of processes occur in the general ETD issuing process. Models showing the workflow loops of the ETD issuing process before and after the introduced changes for all three types of processes are depicted in figures 2, 3, 4, 5, 6, 7.

Materials: before and after the change

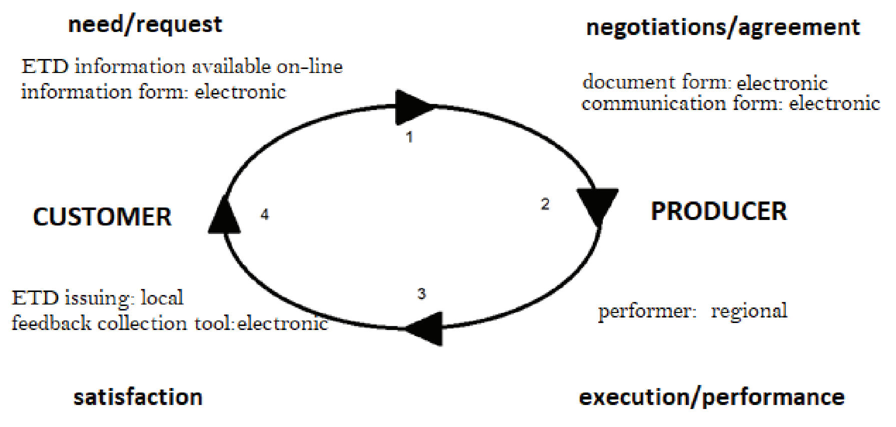
The main processing centre, the ETD *hub*, was responsible for receiving and processing information received from clients; while the other centres in the region - called *spoke* - printed the physical document and handed it out to the client locally. The process related to materials before and after the changes is depicted in figures 2 and 3.

Figure 2. Workflow of the ETD issuing process before the changes: materials



Source: author's own work based on: Denning & Medina-Mora, 1995.

Figure 3. Workflow of the ETD issuing process after the changes: materials



Source: author's own work based on: Denning & Medina-Mora, 1995.

Due to the changes in the process, primarily due to the introduction of the possibility of submitting ETD applications online, the earlier need to submit applications in paper version was eliminated. Digitizing the application process saves paper and time, because the consular officer processing data from the application receives it in a digitized version. Thus, he/she no longer needs to enter data from the paper application into the system.

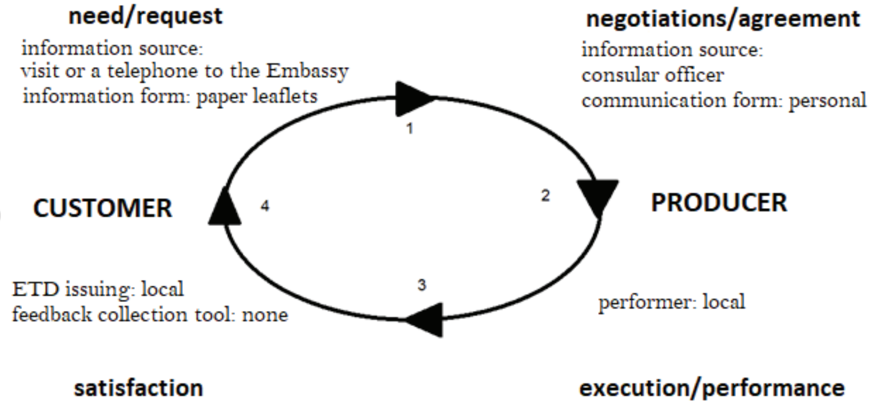
The process is also shortened by the change in document submitting. It is now the customer who uploads scans of documents and photos into the system and completes the on-line payment. All the documents are therefore received and processed not on paper, but in electronic form. It also makes them much easier to store. Instead of scanning all of the paper documents and uploading them into the system, the consular officer only validates them.

The part of the process associated with the physical printing of the ETD remains unchanged.

Information: before and after the change

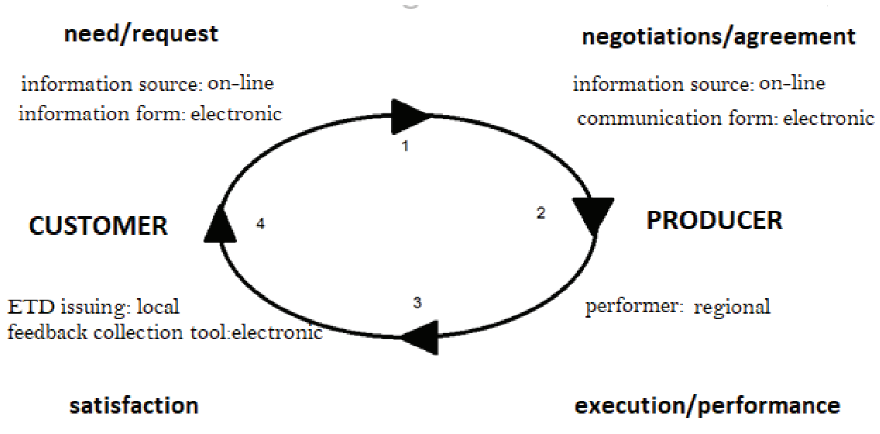
The process related to information before and after the changes is depicted in figures 4 and 5.

Figure 4. Workflow of the ETD issuing process before the changes: information



Source: author's own work based on: Denning & Medina-Mora, 1995.

Figure 5. Workflow of the ETD issuing process after the changes: information



Source: author's own work based on: Denning & Medina-Mora, 1995.

Due to the changes in the process, primarily due to the introduction of the possibility of submitting ETD applications online, the earlier need for the client to arrive at one of the diplomatic units was eliminated. All information regarding the ETD, submission requirements, and processing time is available on the website. This means that the full range of information about the ETD and the possibility and means of applying has become available to the customer at any time, and not only by phone or during the working hours of the diplomatic mission.

The customer is responsible for entering the data when applying online. This translates into shortening of the ETD issuing process time. Previously, it was the consular officer that was responsible for creating the case and entering customer data into the system. Since this activity has been digitized and automated, the data, entered during the application by the customer, is only verified (and corrected if necessary) by the officer issuing the ETD.

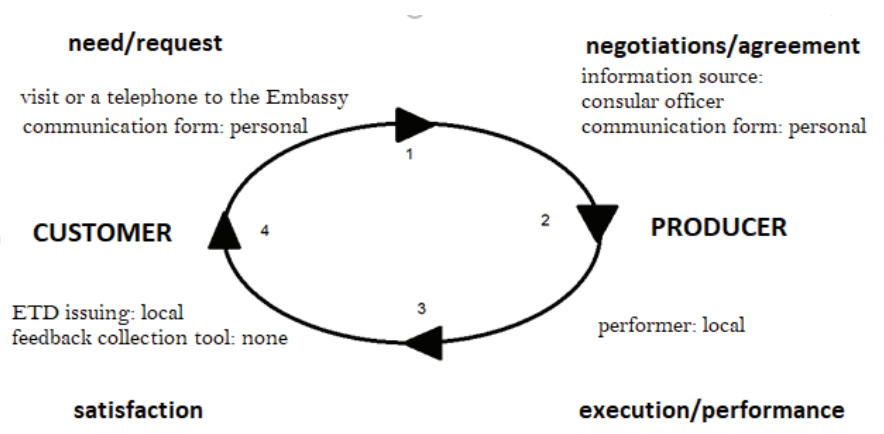
After issuing the document, an e-mail message informing the customer of the availability of the ETD is sent out by the ETD hub in Warsaw. It is addressed to both the client and the local diplomatic mission (spoke). This means adding another recipient of information – a local diplomatic mission (spoke) – to the message recipients in comparison to the previous process.

What is more, the customer feedback question is included in the application process. By adding this option, customers can share their opinion about the service using the online evaluation questionnaire. The ability to collect customer feedback can be a source of information about problems encountered by the customers and ideas how to improve the service.

Communication: before and after the change

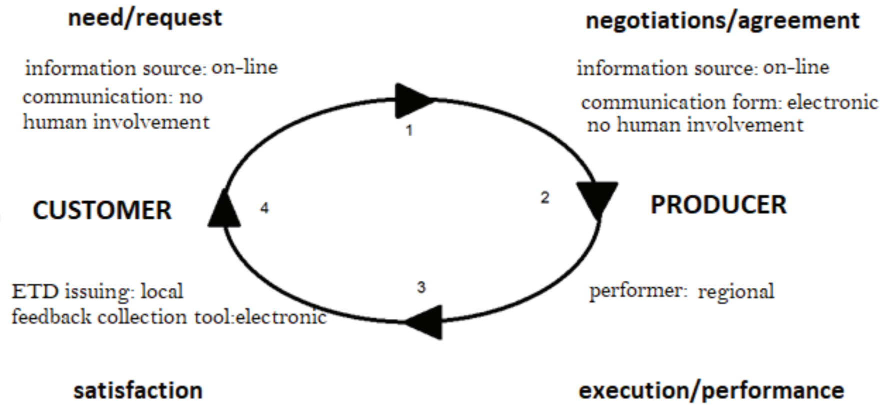
The process related to communication before and after the changes is depicted in figures 6 and 7.

Figure 6. Workflow of the ETD issuing process before the changes: communication



Source: author's own work based on: Denning & Medina-Mora, 1995.

Figure 7. Workflow of the ETD issuing process after the changes: communication



Source: author's own work based on: Denning & Medina-Mora, 1995.

Due to the changes in the process, primarily due to the introduction of the possibility of submitting ETD applications online as well as forming the region of 11 diplomatic units, the earlier need for the client to arrive at one of the diplomatic units was eliminated. This entails limiting the interpersonal communication to a minimum because of digitization and process automation. As a consequence, the involvement and time of the consular officers is limited and their time for other consular work is increased. This means shifting the priorities of employees of local consular sections (spokes) by minimizing their involvement in issuing ETDs. Increasing the efficiency of the process by partially eliminating the human factor and replacing it with an automated online system has disadvantages, however, especially for customers. Nationals who find themselves in a foreign country without a valid passport are in distress and often expect human contact and assurance. The process in the digitized and automatic version can be perceived as soulless and devoid of human factor.

Referring to the research question, it is apparent that process improvement may consist in changing the structure of the process, its contractors, the data carrier and/or the communication channel. The process improvement in this case encompasses changes in every aspect of the process: related to materials, information and interpersonal communication. It is also associated with systemic changes affecting the structure of the process. The structure as well as the number and character of the contractors, the data carrier and the communication channel have changed. The second group of research questions related to whether streamlined processes are faster to perform. The analysis of the documents related to the ETD project shows that due to the introduction of the changes described above, the time needed to complete the ETD issuing process has been reduced. There are many factors that contributed to the time reduction:

- digitization of information about the ETD;
- limiting the human factor involvement;
- the requirement to submit ETD applications online;
- entering data electronically by the client;
- making payments and sending documents electronically by the client;
- automatic transfer of customer data into the system;
- regionalization of the process to standardize the service.

The average time it took to issue an ETD before making changes was:

- children: 75 minutes;
- adults: 60 minutes.
- The average time it took to issue an ETD after the changes was:
- children: 60 minutes;
- adults: 45 minutes.

Comparing the above data, it should be noted that the time needed to issue an ETD has been reduced for both: the customers under 18 and adults. For children's applications, the average ETD issuance time was reduced by 15 minutes, which was a 20% reduction in time. For adult applications, the average ETD issuance time was also reduced by 15 minutes, which was a 25% reduction in time. Research therefore confirms that streamlined processes are faster to perform.

The next research question in this group read as follows: Are streamlined processes cheaper to perform? Improved processes allowed the ETD hub employees in Warsaw to issue more ETDs in comparison to consular officers in diplomatic units before the changes were introduced. This means that the shorter production time of a single ETD translates into less financial effort on the part of the FCO. The introduction of the changes and the operation of the ETD hub in Warsaw allowed consular employees in the 11 diplomatic units participating in the project to devote their time to other clients and consular affairs. The unit cost of performing an ETD service was reduced, while the price of the service did not change, which resulted in an increase in the profitability of the service from the point of view of FCO. Considering the above, it should be confirmed that streamlined processes are cheaper to perform.

The last research question dealt with the number of contractors and read as follows: Do streamlined processes require fewer contractors?

The changes introduced in the process significantly reduced the involvement of the human factor. The biggest impact on this limitation was due to the change in applying for an ETD online. It significantly reduced the number of customers coming to the Embassy or Consulate in search of help. In addition, regionalizing the process also limited the involvement of consular employees in the units participating in the project. Considering the above, it should be confirmed that streamlined processes require fewer contractors. Based on the above data and literature analysis, one can confirm that the use of digitization of documents can be successfully implemented to streamline organizational processes.

Recommendations

Based on the results obtained in this study and their analysis, practical conclusions regarding the further operation of the enterprise and its development can be drawn.

While expanding the reach of the ETD project one should consider the following:

- Increasing the scale of the project will also increase the financial effort and intensify bureaucratic activities. Under such conditions, it will be much more difficult to closely monitor activities and to measure and test the process.
- Smaller pilot projects bring more freedom when trying out new approaches or technological solutions or regulations. Projects on a much larger scale work better when all aspects of the project are specified: responsibility, time, regulations, customer approach, dispute resolution.
- Increasing the scale of the project will limit the involvement of the consular employees in successively “taken over” organizations. There may also appear reluctance on the future spokes. It could be related to employees’ (who are “cut off” from their previous tasks) fear of losing their job.
- When increasing the scope of the process, account should be taken of subsequent participant organizations and their specific geographical, cultural and economic conditions (Banerjee et al., 2017).
- The Anglo-American and German approaches to cost management, applied in this project, focus primarily on the internal area of the organization and the quality and accuracy of information. It could be advantageous for the FCO to also apply the Japanese approach to cost management and plan long-term strategies on offered services as well as work on gathering and using customers’ feedback.

References

Banerjee, A., Banerji, R., Berry, J., Duflo, E., Kannan, H., Mukerji, S., Shotland, M., & Walton, M. (2017). From Proof of Concept to Scalable Policies: Challenges and Solutions, with an Application. *Journal of Economic Perspectives, American Economic Association, 31*(4).

Chmielowiec-Lewczuk, M. (2017). Organization of The Cost Management Process in The Insurance Company. *Prace Naukowe Uniwersytetu Ekonomicznego We Wrocławiu, 472*. doi:10.15611/pn.2017.472.05.

Denning, P. J., & Medina-Mora, R. (1995). Completing the Loops. *Interfaces, 3*, 42–57. doi:10.1287/inte.25.3.42.

ETD pilot project monitoring documents of the British Embassy.

Commonwealth Office (2016). *Helping British People overseas: Consular services 2016–2020.* Retrieved from: https://www.gov.uk/government/publications/helping-british-people-overseas-consular-services-2016-2020. Access: 05.08.2019.

Marshak, R. (1993). Young and Rubicam improves productivity with workflow. *Workgroup Computing Report, 16* (5), Boston, Massachusetts: Patricia Seybold Group.

Nowak, E. (2006). Geneza i istota strategicznego zarządzania kosztami. *Strategiczne zarządzanie kosztami*. Kraków: Oficyna Ekonomiczna.

Sadowska, B. (2015). Rachunek Kosztów Działań – Teoria i Praktyka. *Prace Naukowe Uniwersytetu Ekonomicznego We Wrocławiu, 398*. doi:10.15611/pn.2015.398.40.

Toszewska-Czerniej, W. (2016). Productivity of Service Delivery Process as a Factor Affecting the Level of Differentiation / Produktywność Procesu Usługowego Jako Czynnik Kształtujący Poziom Zróżnicowania. *Prace Naukowe Uniwersytetu Ekonomicznego We Wrocławiu*, *450*. doi:10.15611/pn.2016.450.50.