Bundling Processes Between Private and Public Organizations: A Qualitative Study

Armin Sharafi, Technische Universität München, Germany
Marlen Jurisch, Technische Universität München, Germany
Christian Ikas, Technische Universität München, Germany
Petra Wolf, Technische Universität München, Germany
Helmut Krcmar, Technische Universität München, Germany

ABSTRACT

Businesses are aching under the burdens entailed by public reporting duties while public administrations are faced with rising cost pressures. Fostered by the diffusion and maturation of information technology, businesses put forth growing demands in regard to the quality, integration and usability of public services. An effective means of meeting these challenges is through the identification and bundling of processes caused by reporting duties. Incorporating corresponding concepts from the business sector, the authors develop an approach for process bundling tailored to public organizations. The authors demonstrate the approach on waste management reporting duties. This paper provides guidance for practitioners striving to optimize information flows and reduce redundancies within B2G contacts. As a result, both public administrations and businesses benefit from a more straightforward and cost-efficient provision of public services.

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1 INTRODUCTION

E-Government aims at improving the relationships that public administrations hold with their customers by providing more efficient and effective services (Hughes, 2003). Many E-

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Government efforts are enabled by information technology, which provides the possibility to automate public service processes. It allows for the uninterrupted execution of public services and processes, accompanied by a simultaneous increase in customer orientation.

As citizens and businesses are demanding greater customer orientation and an integration of their needs, public administrations are forced...
to adjust their ways of providing services and processes. Concurrently, public institutions are faced with constant cost and performance pressures, which render swift action even more imperative. On the other hand, businesses are heavily burdened by administrative duties entailing significant expenses. Specifically, in 2008, the Federal Statistical Office in Germany identified 9,324 reporting duties between businesses and governmental institutions in Germany. Bureaucratic expenses for reporting duties on part of the German economy total approximately 47.6 billion Euros annually (Sharafi, Wolf, & Krcmar, 2010). While 22.5 billion Euros are accounted for by national legislation, 25.1 billion Euros are spent to fulfill EU- and international regulations. Consequently, businesses are growing dissatisfied, accusing their local and national governments of practicing insufficient transparency and following antiquated structures (Rodenhagen, Diekhans, & Rieckmann, 2009). These developments call for a change in how public administrations deliver value to their customers. Analyzing and optimizing the processes underlying public services can present a first step towards more customer orientation. In the business sector, there has been significant research into process improvement, process modeling, and process-oriented reorganization (Becker, Algermissen, & Niehaves, 2006). This is reflected in an extensive base of knowledge and experience concerning business process reengineering (BPR) and similar measures. In contrast to the business domain, public administrations do not have a comprehensive array of methodologies for process change at its disposal (Becker et al., 2006; Scheer, Nüttgens, & Zimmermann, 1996). Consequently, it seems reasonable to turn to the business sector for guidance on this issue. It becomes apparent, however, that BPR-related approaches do not necessarily lend themselves easily to corresponding applications in the public sector (Jurisch et al., 2010). In particular, bureaucratic principles impose unique requirements and restrictions on any potential process changes, as does the concept of federalism. Since public administrations are inherently characterized by regulations, differing jurisdictions, and multiple levels of administration, it demands for a dedicated approach to process improvement. In order to accommodate the unique needs of the public sector, we set out to derive a more targeted approach named process bundling. This leads us to our first research question: (1) How should a purposeful approach for improving processes between public administrations and companies be structured?

Prompted by aforementioned practical issues observed in the field of public administration, our research aims to enable practitioners to improve upon these conditions. In order to ensure the feasibility of our recommendations for practice, we complete our analysis by examining the question: (2) How should this approach be applied to a concrete domain setting and what benefits may be expected as a result?

We will begin by introducing and defining the term process bundling as well as the underlying motivations for process bundling in public administrations. Subsequently, we will provide theoretical background on the issue of identifying suitable processes as candidates for bundling. This step will comprise an analysis of current criteria as well as the introduction of an additional set of identification principles. Incorporating these results, an approach to process bundling in the domain of public services will be proposed and subsequently applied in the field of industrial waste disposal in Germany. We will conclude with a discussion of our findings and implications for both practice and future research.

2 PROCESS BUNDLING

2.1 What is Process Bundling

Traditional public administrations exhibit a variety of common principles, including bureaucracy, hierarchical organization, bureaucratic delivery and the dichotomy of politics and administration (Hughes, 2003). These features result in an occasionally excessive number of functions and departments within those entities. This results in a myriad of information flows...
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