Innovative Process Management in the Public Sector

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Abstract:

Purpose: Process management is part of the wider field of quality management. Since the 1990s, it has been effectively put into practice in commercial organizations. The article provides examples of applying process management, highlighting the challenges that emerge during the execution of this kind of alteration in an organization. It demonstrates the factors, implementation, and advantages of introducing an innovative approach for organizational processes in a public sector enterprise.
Design/Methodology/Approach: The article presents practical observations gathered by the authors during the implementation of several process management change projects. These included a higher education institution and an organization associated with managing pension entitlements.
Findings: New trends in the surroundings of public organizations, contacts and relationships with business organizations that are subject to market conditions, are forcing changes in the public sector. One example is an innovative approach to managing processes in public organizations. This approach can bring significant benefits to public authorities, collaborating commercial companies, and above all, to society as the "end user"
Practical implications: The presented results can support the preparation of public sector organizations for effective planning and implementation of new organizational solutions. However, above all, public sector organizations should and can (as the article shows) see the opportunities for innovative, often radical increases in the efficiency of their operations.
Originality/Value: Dynamic changes in the organization's environment require adapting innovative management methods for more effective achievement of strategic goals. This issue seems to be insufficiently represented in the subject literature. This article aims to contribute to filling this gap.

Key words: Innovation, administrative unit, process, management.

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1. Introduction

"Restructuring and corrective actions often do not bring expected results because companies do not realize that the problems lie in the fragmentation of logical, comprehensive processes between various specialized functional departments" (Gabryelczyk, 2006).

The SARS-CoV2 pandemic and the associated "work under forced isolation conditions (lockdown)"[4] became a test of organizations' effectiveness in times of change. Companies reacted fairly effectively to the new reality, trying to maintain continuity of business processes. The exceptions were industries whose activities were suspended by changes in the law, such as event, conference, concert, etc., which, due to the nature of their activities, were closed and unable to continue their operations. One of the reasons why the business sector quickly adapted to the new reality is the 'agility' of management resulting from looking at the organization as a collection of coexisting processes.

The public sector, operating on the basis of legal regulations, also faced a new challenge related to the change in the philosophy of remote work. Many public institutions were not prepared for the new challenges for several reasons, including poor IT equipment, lack of databases with remote access, and a lack of computer hardware. In addition, the specific culture of organizations and a different management style meant that adaptation in many public offices and organizations proceeded slowly, or their activities were completely suspended. A crisis situation, apart from the threat, brings an opportunity to introduce changes, including the implementation of process management.

Therefore, there is an increasing interest in solutions that will allow organizations in the public sector to effectively cope with new challenges. This applies especially to large and complex structures that, due to their "inertia," are particularly sensitive to communication disruptions and time-consuming decision-making processes. The characteristics of traditional "bureaucratic" management that functioned well in stable environments are currently unable to respond effectively.

It is true that organizations in the public sector significantly differ from business organizations, but many good practices in the area of process management are worth implementing from the business sector to the public sphere. This will bring many benefits described in this study.

In the article, an attempt was made to explain why it is worthwhile to implement innovative process management in the public sector and what obstacles may arise. The analysis carried out allows for the development of good practices for more effective

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[4]*Regulation of the Minister of Health on announcing a state of epidemic threat on the territory of the Republic of Poland, Journal of Laws 2020, item 433.*

implementation of new solutions in the future. Moreover, the article includes current and important experiences from previous implementations. The presented examples show that such action is certainly possible and brings positive results both in the short- and long-term perspective. As E. Babbie (2004) states, "to shed light on a topic or to familiarize a researcher with a subject."

2. Benefits of Implementing a Process-Oriented Approach in Public Sector Management

The process approach and related concepts such as process systems, process structure, and process relationships are embedded in systems theory (Szczepańska 2016). In general, organizational management processes, such as those in a network, are extremely complex collections of business decisions, involving individual participants as well as the entire organization (Klimek, 2017). One of their advantages is the ability to quickly adapt to new conditions and the philosophy of continuous improvement.

This also leads us to another element, the concept of a learning organization, which is able to learn from its own experiences in times of change. "Knowledge organizations" are those whose strategies are created based on, in a sense, formalized learning systems, resulting in the creation and development of knowledge about the organization and its environment, emerging opportunities for success and avoiding failures. This market advantage resulting from a process approach that creates a responsive system was particularly visible during work in conditions of forced isolation.

One of the key elements of adaptation to change is knowledge. Therefore, it is important to take a comprehensive view of the organization's environment, predict and connect events occurring within it in causal relationships. Often, solving one problem only shifts it to another area (Rokita, 2003).

In organizational management, the process approach has long been known and developed, especially in business organizations. One of the most dynamic automotive companies, Toyota, is considered its leader. Its innovation, consistently growing market shares, and high ratings from customers confirm the validity and effectiveness of process management.

In addition to many benefits from taking a process approach, additional factors that support the implementation of this system are the ability to operate in interaction with modern methods of work and communication. As M. Juchnowicz states, an important determinant is also the pace of development of modern technologies, which is driving the modernization of professional and qualification structures of employees (Juchnowicz, 2014). Working under forced isolation conditions (lockdown) caused organizations to immediately start using new software enabling remote communication such as Microsoft Teams, Wbex, ZOOM, Clickmeeting, etc. This change required the ability to learn often without any prior experience. At the same

time, technology is the basic element connecting the interior of the organization in all aspects of operation, as processes carried out in organizations in all aspects of operation are currently based on IT systems. Every organization has its own IT system, which must be compatible with external systems.

Without participating in this network of connections and virtual reality, modern organizations cannot exist. A particular case is service-oriented public organizations that are forced to quickly integrate into networks of connections, into the Internet of Things (Gołębiowska, 2016). Once again, knowledge and the ability to learn experimentally prove to be a success factor.

The process of developing innovation requires the creation of a knowledge collection and management system within the company. It is necessary to ensure access to knowledge, taking into account its protection from unauthorized persons. When designing and implementing any managerial technique, it is particularly important to carefully predict and incorporate knowledge management systems, taking into account methods of acquisition, processing, and storage (Antoszkiewicz and Pawlak, 2010).

Globalization processes and social trends in general cause contemporary organizations to become increasingly diverse. This relates to several aspects of human resources, including the aging of society, cultural differences, and greater openness to employees with disabilities. Diversity in the workplace also promotes mutual learning among employees.

Competencies identified and acquired from other professional and personal areas that represent deficiencies or surpluses of competencies in other employees can be adopted (Gross-Gołacka, 2018). Process management allows for effective adaptation of organizational activities in the face of these challenges.

The indication of several new elements that managers of organizations must deal with does not limit other challenges such as the effects of the pandemic, employee health changes, remote work, and the implementation of completely new information technologies. These changes affect both the human and technological spheres. This requires the implementation of completely new organizational solutions to quickly adapt the organization to radically changed business operating conditions. The same challenges have also emerged in the public sector in the last two years.

Organizational changes due to the pandemic have forced a radical reduction in stationary work in favour of remote work. This required the management to quickly purchase computer equipment and also acquire new system solutions. However, these two elements alone cannot ensure the proper functioning of the organization and the fulfilment of statutory obligations. Clear processes, which can be fully realized using information technology and technology, are also necessary for this, as presented in Figure 1.

Figure 1. *Benefits of implementing Innovative Process Management in the public sector.*
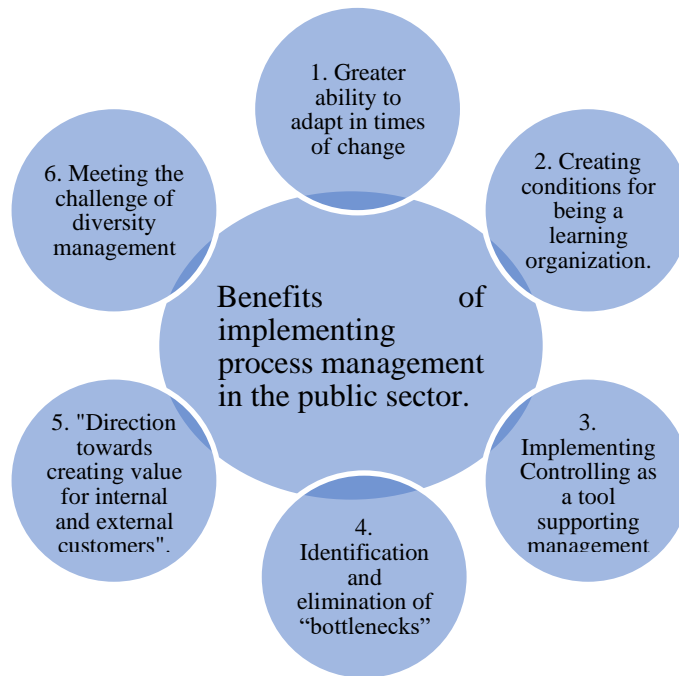
Another aspect is controlling processes that allow for their continuous improvement. As R. Griffin states, control is the regulation of organizational activities in such a way as to facilitate the achievement of goals (Griffin 2017). It is a key element of process management. Certainly, every deviation from the standard should be examined (Linstead, Fulom, Liley 2004). Effective decision making requires current and accurate information. Thanks to the systemic application of controlling, a public institution can receive current management information that will affect the quality of its decisions.

Business process controlling should be future-oriented, because companies are constantly competing, operate in a very volatile environment, and must deal with the negative effects of potential crises, therefore in this aspect the entire planning and reporting system of business process controlling should be adjusted to these elements. Thanks to this, it is possible to develop and implement new concepts and tools that provide accurate information about the future development of the company (Szydełko, 2017). This departure from a mechanistic view of organizations makes them flexible and lively.

Figure 2. *Dependencies regarding effective implementation of organizational tasks in pandemic restrictions.*
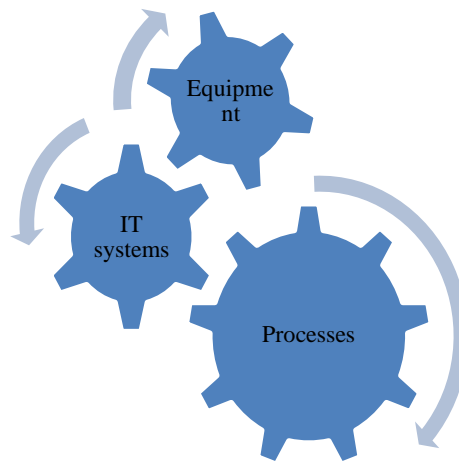
Source: *Own elaboration.*

Focus on "bottlenecks" or weak points is also important in business process controlling. The weakest links in the processes themselves or at the intersection of two different processes are called "white spots" (Brache and Ramler, 2000). In a critical situation, they are the first to be exposed to "dysfunction." With a traditional management formula, one can be unaware of or not change such a "bottleneck" for a long time due to a lack of decision-making and a sense of responsibility. This is related to the perception of control as a tool of repression-punishment against employees.

In ordinary times, information is transmitted incidentally and to some extent in a formalized way. Nowadays, it must be a continuous and unrestricted process. This applies in particular to small pieces of information that we may have considered insignificant in the future (Charan, 2015). Process controlling allows for gathering information where in a mechanistic approach no one would do it.

Listing all factors, it is worth noting at the end that the overarching element of innovative process management is creating value for both internal and external "customers." This translates into both an increase in the quality of organizational performance and trust in the organization and the state.

3. Organizational Culture in Public Sector Organizations

In scientific literature, one can find dozens of definitions of organizational culture. According to Cameron, it is a durable, slow-changing characteristic of an organization that often includes underlying values and a common understanding of how things are done in the organization (Cameron and Quinn, 2015). At the same time, everyone agrees that it has a crucial impact on the functioning of the organization.

One can wonder which elements or characteristic features of organizational culture will support the implementation of innovative process management. Institutions in the public sector are perceived as typically "bureaucratic mechanisms" with all their advantages and disadvantages. In a mechanistic approach, organizations are perceived as complicated machines in which people are only replaceable parts, and cause and effect are in a direct linear relationship, leading to suboptimal and reductionist thinking in which the repair of one part of the organization is aimed at isolating it and is carried out at the expense of the whole (Kowalczyk, 2015). Therefore, following Cameron (2015), these elements are mentioned:

- hierarchization
- activities based on procedures,
- impersonality,
- meritocracy,
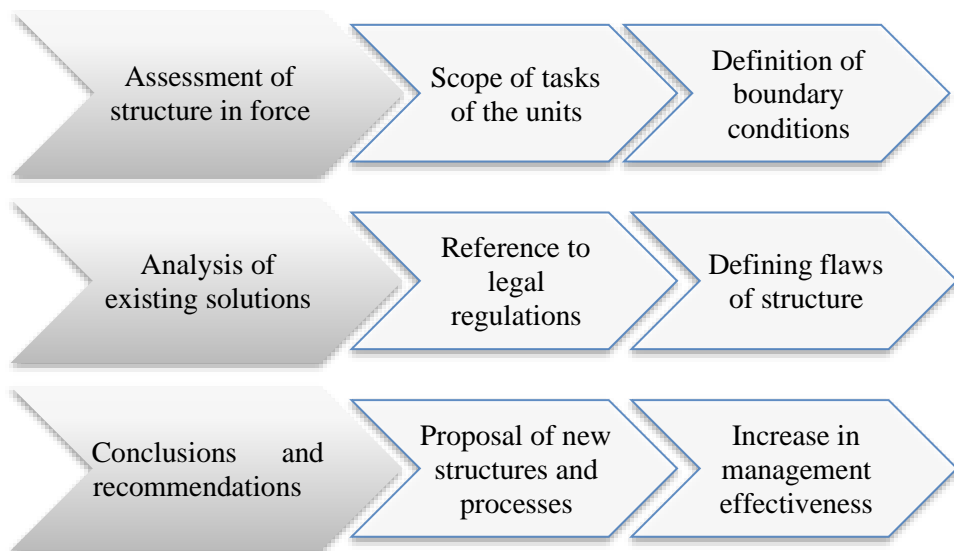- formalization,
- procedurality,
- etc.

During the consulting activities carried out at one of the public universities, the academic teaching staff was asked what benefits the implementation of innovative process management can bring, and the following answers were received:

- acceleration of decision-making related to the elimination of excessive intermediate structures,
- clear justification of introduced solutions,
- electronic circulation of documents - including financial ones,
- improvement of the system for evaluating teaching activities,
- digital tools for managing research projects,
- simplification of internal procedures,
- accounting for ordered teaching activities between faculties,
- flow of information between departments,
- process of adapting to new regulations (e.g., new public procurement law) in the management of research projects,
- process of introducing new employees,
- process of stimulating the quality of teaching activities (exchange of good practices, evaluation, rewarding).

The awareness of the benefits of implementing process management indicates strong grassroots tendencies to introduce such initiatives despite an unfavourable organizational culture. All employees, regardless of their position or level in the organizational structure, expect to be treated with respect (Cascio, 2006). The lack of efficient processes in an organization causes frustration.

An interesting example of a change made in the scope of implemented process solutions is a public institution in the area of Polish retirement provisioning. A process approach to organizational structure is presented in Figure 3.

Figure 3. *The dependence of structure and processes in a public institution.*

Assessment of structure in force	Scope of tasks of the units	Definition of boundary conditions
Analysis of existing solutions	Reference to legal regulations	Defining flaws of structure
Conclusions and recommendations	Proposal of new structures and processes	Increase in management effectiveness

Source: *Own work.*

The efficient management of a public organization means the proper solving of emerging problems and improving its effectiveness. The effectiveness of an organization's operation, as a result of improving its effectiveness, must be incorporated into the organization's strategy. The effectiveness of an organization's operation means increasingly improved performance of repetitive tasks, such as those performed by public organizations.

The success of an organization can be achieved through the implementation of process management, which is carried out in a different way, thanks to innovation, innovative solutions, and originality, using more convenient methods of action for customers, such as modern forms of communication.

Creating new conditions and perspectives for the development of an organization is possible thanks to the improvement of processes, such as knowledge management or virtual forms of cooperation ("Cloud" computing or public services offered by IT companies), allowing for the creation of networks of partners bringing essential, key skills.

Knowledge resources in a company undergo a processing process aimed at obtaining systemic knowledge (Trajer, Paszek, and Iwan 2012). The basis of the effectiveness of the operation of any organization is multifaceted knowledge of managers and employees and a well-designed information system. Effective action requires a systemic (holistic) and strategic (perspective) approach to solving the basic problems and tasks of a public organization. Every public organization should strive for a high level of professionalism. The characteristics of professional organizations include:

- Guiding oneself in decision-making by the laws in force and general ethical principles
- acquiring the organization's position of public trust through professionalization and positive assessment results given by the society,
- guiding oneself by the ethical code protecting customers who are entirely dependent on employees' specialized knowledge but have a statutory right to pursue their claims,
- personal dedication of employees and managers for the good of the organization.

Professional organizations require the employment of professional staff, in the context of requirements expected in the EU. Polish public organizations are managed by people who do not possess, at the expected level, the skills and qualifications necessary for the practice of problem-solving, cognitive abilities, communication, learning, and teamwork.

The qualification gap of part of the managerial staff in public institutions was visible in areas such as leadership, communication, teamwork, shaping interpersonal relationships, and managing change. The observed gap in the skills and qualifications of the managerial staff is important and difficult to eliminate, among others due to the entrenched power structure in the organization. Managers have functional empowerment and view their work from a formal power position, focusing on themselves rather than on the organization's goals.

Therefore, it is important to model employee attitudes by formulating the organization's vision. Here, the vision is achieving the status of an innovative institution of social trust and the mission of the organization as efficient, friendly, and reliable customer service provided based on legal regulations, principles of rational and transparent management of financial resources. An organization that utilizes modern technologies and the potential of employees, as defined in the organization's strategy.

The organization's vision is a declaration of the most important strategic priority, which is building the trust of citizens, entrepreneurs, and institutions in the organization. The mission indicates ways of achieving the overarching goal. The vision and mission are consistent with the current directions of modernizing public administration in Poland.

To achieve the set goals, within the framework of the new model, it was necessary to apply an appropriate methodology based on international process management standards, which aim for:

1. The improvement of internal and external communication within the organization.
2. The identification of parameters for each process and monitoring them to control the process's effectiveness and its impact on strategy implementation.
3. The standardization of the way processes and business areas functioning in the organization are identified and described.
4. Obtaining complete process documentation as knowledge that remains within the organization (a learning organization).
5. Providing knowledge to management about the responsibilities of units (process owners), areas, and local units.
6. Assigning clear responsibility for roles in processes.
7. More efficient access to regulations applicable within the organization – assigning them to specific areas/processes.
8. The creation of a central knowledge base about processes and areas of responsibility within the registry.

The expected effects of implementing a process management system from the perspective of fulfilling organizational legal tasks include:

- Standardizing the organization's management system according to the applicable ISO standards, with the aim of reducing administrative costs and control,
- Full integration of all processes, procedures, and instructions focused on employees and customers, and continuous process improvement.

As presented above, processes in public institutions, partially implemented until 2020, required very fast adaptation to the changes during the pandemic. With properly defined processes, IT equipment could be quickly adapted to their needs, which contributed to the success of public institutions functioning only online from March 2020.

4. Conclusions

Every change process is exposed to risk because it encounters natural resistance. The success of implementing innovative process management depends on many factors, such as a clear vision of change, strong leadership, support from all members of the

organization, and its management culture. It should be remembered that organizations are deeply embedded in a broader cultural-institutional environment in which they operate (Bratton and Gold, 2007).

This factor can both support and hinder these processes. A sense of loss of purpose, influence, and powerlessness can demotivate employees. An organization that is powerless in the face of the changes it faces can demotivate its employees, which can become an impetus for change. Observations by the authors indicate a grassroots need for innovative process management in the public sector, which could bode well for this trend. The need alone, without modelling the attitudes of employees and management, may prove insufficient.

Another factor is the phenomenon of homeostasis. This is the tendency of an organization to maintain internal equilibrium in response to external factors. This means that every organization has a natural tendency to re-adapt (return) to its previous stable state (Cameron and Green, 2013). Therefore, it is worth ensuring a conscious consolidation of the change in accordance with K. Levin's postulate of "freezing" it. This is because a return to old "mechanistic" behaviours is often observed when modelling attitudes is carried out superficially.

Also, creating space for managers to tolerate old behaviours will disrupt the consolidation of this change. Changing the way an organization operates is always time-consuming, and the effects come with time and are not guaranteed.

However, the risk of an interruption in functioning (lockdown) that arises with a mechanistic approach to management shows that it is worth implementing innovative process management in public sector organizations. Of course, assessing the changes that have occurred in many public institutions requires further in-depth research. However, based on the preliminary actions already taken, it can be stated that Polish public institutions were rapidly transitioned to remote processes thanks to the partial introduction of process management.

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Legal acts:

Rozporządzenie Ministra Zdrowia w sprawie ogłoszenia na obszarze Rzeczypospolitej Polskiej stanu zagrożenia epidemicznego Dz.U. 2020 poz. 433.