



CHALMERS

On the Selection of a Centralised or Decentralised Location Structure for the Swedish Migration Agency

A Direction of the Decision Regarding the Structure of the Application Units

Master of Science Thesis

in the Supply Chain Management master's Programme

LINN HANTOFT
MALIN PERSSON

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LINN HANTOFT
MALIN PERSSON

Department of Technology Management and Economics
Division of Supply and Operations Management
CHALMERS UNIVERSITY OF TECHNOLOGY
Gothenburg, Sweden 2016

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LINN HANTOFT
MALIN PERSSON

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Report No. E2016:021
Department of Technology Management and Economics
Division of Supply and Operations Management
Chalmers University of Technology
SE-412 96 Gothenburg
Sweden
Telephone: +46 (0)31-772 1000

Chalmers Reproservice
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Abstract

In 2015 the Swedish Migration Agency experienced a challenge in encountering the explosive increase of asylum seekers. Particular exposed was the first step of the asylum flow, the application process, since it is the part where the asylum seekers are registered into the system and their stay becomes legal. In order to improve the application process, the Agency wanted to investigate how they should structure the application units and if it should be centralised or decentralised. The decision regarding the structure needed to be made with the Agency's objectives and constraints in mind. The objectives for the application process were to minimise cost, have flexibility in capacity and high customer service, while the constraints were that the Agency needed to encounter the fluctuating inflow of asylum seekers and follow the strategies of their business and of being a public organisation. With this in mind, the purpose of this thesis was to investigate if the Agency should have a centralised or decentralised application unit structure to minimise costs, have flexibility in capacity and high customer service under fluctuating inflow of asylum seekers and defined strategies.

The purpose was achieved through a literature study, where relevant theories were presented in a theoretical framework and finally concluded in an analysis model. The analysis model mapped the theoretical constraints and objectives effects on corresponding structure of centralisation or decentralisation. The empirical findings were collected by interviewing eight employees at the Agency and by observing the application unit in Kållerød, Gothenburg. Furthermore, data was collected through previous empirical findings and the Agency's internal data system. The findings were verified and validated in a workshop.

The analysis of this thesis was performed by looking into the analysis model and mapping corresponding factors for the current situation at the Agency. The factors importance to the Agency were analysed, where factors of moderate or high importance were taken into account. The result shows that the Agency should have a centralised application unit structure. But, the main conclusion highlights that this is only a direction of the decision and in order to take a definite decision regarding the structure some areas need to be further investigated. The areas worth further investigations are correlations between the factors in the analysis model, impact of the structure decision on the whole asylum flow, factor's weighting of importance and generalizability of the analysis model for other processes or applicants within the Agency. The recommendations for the Agency is presented in an eight-step figure, where areas and questions worth further attention are presented.

Acknowledgement

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1. Introduction

This chapter presents an introduction to the thesis and starts with a discussion of the background to the thesis. The background introduces the reader to the Swedish Migration Agency and its essential functions. The Agency’s main problems faced during the last years are highlighted followed by a presentation of the Agency’s request for investigation. Thereafter, the aim and problem analysis are presented, which ends with a description of the research questions.

1.1 Background

The Swedish Migration Agency, hereafter called the Agency, is a public organization commissioned by the parliament and government (Migrationsverket-1, 2016). The Agency is an authority in Sweden handling applications from people wishing to visit or settle in Sweden, including refugees. The Agency offers people protection from persecutions and conflicts, and provides accommodation to asylum seekers during the application period.

The number of asylum seekers increased explosively during the second half of 2015, which the Agency had trouble to manage due to lack of capacity (Dahlin, 2016-01-25). This resulted in long physical queues at the application units and many asylum seekers were forced to sleep outside or in the waiting area in order to not lose their queuing position. The main reason for the lack of capacity was due to forecasting error and not having the flexibility to adjust the capacity to needed level. The forecast of the number of asylum applications for 2015 was estimated between 80,000 to 105,000 (Iversen & Sandén, 2014) but ended on almost 163,000 asylum applications during 2015, were 35,400 unaccompanied children (Migrationsverket-2, 2016). This represents an increase of 100 percentages compared to 2014 and an increase with 200 percentages compared to 2013 (Migrationsverket-2, 2016; Migrationsverket-3, 2016). Unexpected booms of asylum seekers are generally hard to predict and it is not the first time the Agency encounters such a crisis, for example during the Balkan war in the nineties another increase occurred (Migrationsverket-4, 2016). As can be seen in figure 1, fluctuations tend to occur and will appear again in the future. It is therefore essential that the Agency have a long-term plan for being able to meet these unexpected fluctuations of asylum seekers.

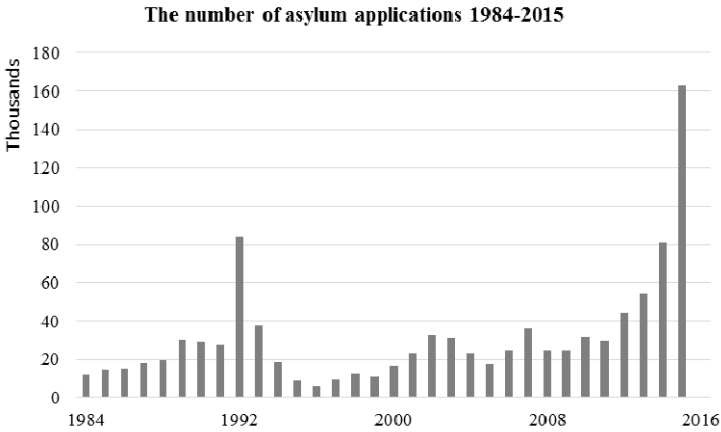


Figure 1. The number of new asylum seekers between 1984 to 2015 (Migrationsverket-2, 2016; Migrationsverket-3, 2016).

In order to understand the asylum flow, a deeper analysis has been carried out by observing the flow, by an interview with Sandin (2016-04-18) and by help of Iversen & Sandén’s (2014) study. The flow is presented in figure 2.

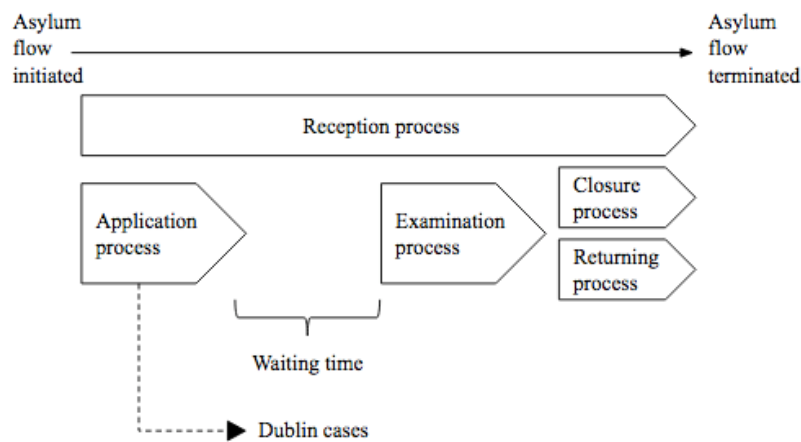


Figure 2. The asylum flow explained by Hantoft and Persson, based on Iversen and Sandén (2014), and Sandin (2016-04-18).

The first part in the asylum flow is the application process, which initiates when the application form is submitted with information regarding the asylum seeker's personal data and reason for applying (Iversen & Sandén, 2014). The purpose of this step is to identify and register the asylum seeker, and to take a first decision regarding daily allowance. The asylum seeker is also screened to know if asylum has been sought in another European country. If so, the case will be classified as a Dublin case and the asylum seeker will normally be sent back to the first country where the seeker applied for asylum in. The reception process is performed in parallel and includes providing accommodations to asylum seekers, take further decision regarding daily allowance, and arrange introducing and individual meetings. These two meetings are set up to give the asylum seeker information about the asylum process, Swedish laws, health care system and ensuring the asylum seeker's identity. The waiting time between the application and examination process depends on how many applications that have been submitted (Sandin, 2016-04-06). During the examination process, the asylum seeker give reasons why seeking asylum, which in turn the Agency tests and evaluates in order to make the decision of asylum (Iversen & Sandén, 2014). In the last part of the asylum flow, the asylum seeker receives the decision of whether to get asylum or not. The asylum seeker is handed over to the closure process if the application is accepted, otherwise to the returning process.

The agency points out that the application process is the most critical step in terms of time, especially when the number of asylum seekers increases more than available capacity (Dahlin, 2016-01-25). This since a queue to the application process delays the access to accommodations and daily allowance for the asylum seeker. It also postpones the legalisation of the asylum seeker's stay in Sweden, which is from a political and humanitarian point of view important to do quickly. There is also a separation part in this step of those who have sought asylum in another country before. The Dublin cases need to be transferred to the previous country where they have sought asylum and continue the process there. By avoiding queues in this step, the separation will go faster and the asylum seeker will not have to wait too long before their applications are handled in the right country. However, managing the applications fast can cause queuing times later in the flow, but it is not considered to have the same devastating consequences as in the beginning of the flow. The application process will therefore be the focus in this thesis and the following processes will not be studied.

A capacity study of the current application units has been made internally at the Agency. The authors suggest further research to examine how a centralised or decentralised location structure of the application units will affect the ability to meet the fluctuating inflow of asylum seekers (Bondesson & Hanson, 2015). This interest has been further stressed by Dahlin as an important topic to investigate (Dahlin, 2016-01-25). The Agency wants to know if the current location structure of application units is most suitable in accordance to their objectives of having flexible capacity, high customer service and minimised costs, under the constraints of fluctuating demand and defined strategy. It must be mentioned

that the forecasting of the number of asylum seekers will not be discussed in this thesis, since the Agency has already developed a tool for their forecasting and due to the time limitations of the thesis. Furthermore, the forecasting error is derived to the hardness to predict the number of incoming asylum seekers due to external factors, which is also not of interest for the researchers to investigate.

Different location structures, such as having only one unit, centralised location structure, or by having several units, decentralised location structures, tend to affect the performance (Subba, 2010; Mullins & Christy, 2010). This type of location structures will hereinafter be called application unit structure. Centralisation can improve economy of scale, co-ordination, specialisation and the decision-making (Mullins & Christy, 2010). On the other hand, decentralisation has benefits such as improving customer service and responsiveness and enabling decision-making closer to the operational work. This means that if the application units' structures are changed toward centralisation or decentralisation, it might improve the number of applications they can handle.

1.2 Aim

The aim of this thesis is to investigate if the Agency should have a centralised or decentralised application unit structure to minimise costs, have flexibility in capacity and high customer service under fluctuating inflow of asylum seekers and defined strategies.

1.3 Problem Analysis

To determine if the Agency should have a centralised or decentralised application unit structure, the problem analysis has been created with the purpose to break down the aim of the thesis into further analysis areas.

In order to understand if there are any activities that might affect the choice of application unit structure, the application process will be described. This process is based on Iversen and Sandén's thesis in 2014 and figure 3 explains the application process in Gothenburg. The application process initiates when the asylum seekers submit the application form and thus registers at one of the application units (Iversen & Sandén, 2014). The purpose with this step is to state the asylum seeker's identity and to understand the underlying reason to seek asylum. A short meeting, called REG1, is directly held after handing in the application form where the receptionist controls if the applicant has submitted an application before. Several activities are then proceeded in parallel such as if the applicant is entitled daily allowance and a control of if the person has sought asylum in another country which is ensured by photography and fingerprints. More activities performed are issuance of LMA cards, help to open bank accounts, called KUB card, and creation of an identification number in order to keep the identity of the asylum seeker anonymous. The LMA card proves that the person is an asylum seeker and has the right to stay in Sweden during the decision time and the KUB card is bankcard where the daily allowance is transferred. Two dossiers are also created where one is sent to the reception unit, meanwhile the second dossier is sent to the asylum examination unit. The applicant is booked to a REG2 meeting, where reasons for asylum, health condition and family situation of the asylum seeker are discussed and information about the application process is communicated.

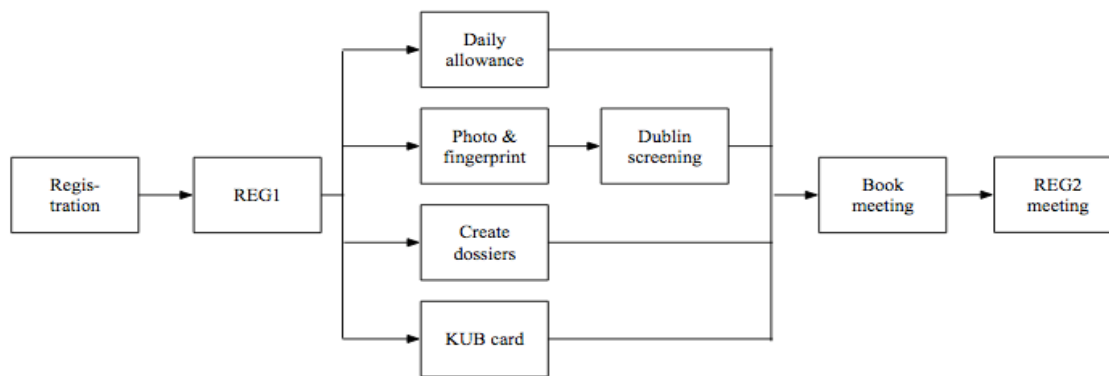


Figure 3. The application process in Gothenburg in 2014 (Iversen & Sandén, 2014).

There are currently four main application units in Sweden: Gothenburg, Malmö, Stockholm Märsta and Stockholm Solna (Bondesson & Hanson, 2015). By analysing the Agency's capacity study, it has been proven that the different asylum application units' flows look differently but serves, roughly, the same purpose. It is not in the scope to evaluate which flow that is most advantageous, that is instead left for further investigation in another report. An absolute geographical location of the application units will not be decided in this thesis. Focus in this thesis will be to point out a direction whether the Agency should work towards a centralised application unit structure or towards a decentralised application unit structure.

Some important aspects have been highlighted from the capacity study, which might affect the possibility of changing from one-unit structure to another. It has appeared from the study that the different application units handle different categories of asylum seekers (Bondesson & Hanson, 2015). It has also been highlighted that different categories of asylum seekers are handled somewhat differently during the asylum flows. This is something that must be kept in mind during the evaluation of a potential unit structure and can be seen as a precondition that must be fulfilled in a future current state.

To evaluate potential application unit structures, the first area of investigation will be to present theory regarding the Agency's objectives and constraints as well as theory of centralisation and decentralisation. This in order to understand how the objectives and constraints are affected by a centralised versus a decentralised application unit structure based on theory. The findings will be connected and presented in an analysis model, which will form the basis of the analysis. The first research question is therefore;

1. How is the Agency's objectives and constraints interrelated to a centralised and decentralised unit structure?

The second area to investigate is to evaluate which application unit structure, presented in the analysis model that is most suitable for the Agency, based on the Agency's constraints and objectives. Christensen et al. (2007) mention that public organisation has conflicting considerations such as provide a good quality of service, show transparency and at the same time be efficient. Boyne (2002) agrees and puts his focus on the complexity of all stakeholders a public organisation is affected by.

The Agency is constrained by limited resources and capacity as well by being impacted by political decisions (Dahlin, 2016-01-25). Both Boyne (2002) and Christensen et al. (2007) argue that the political climate and decisions do impact a public organisation's way of doing business. The Agency is for example dependent on the ruling party's view on immigration as well as their decisions regarding the budget for immigration. The Agency's constraints and objectives need to be further presented and then discussed with the basis in the analysis model presented in research question one. This in order to understand which structure that is most suitable for the Agency. The second research question is therefore;

2. Which location structure is most suitable for the application units?

2. Method

This chapter starts with a presentation of the research process, in order to facilitate for the reader to understand the working progress. Thereafter, the literature study is discussed followed by presentation of the selection and collection of empirical data. Finally, the credibility of the sources is evaluated in order to give the thesis the credibility it needs as well as the generalizability of the thesis.

2.1 Research process

In order to facilitate for the reader to understand how the researchers have answered the research questions, the research process is illustrated in figure 4. The first research question deals with designing an analysis model based on gathered theory. Theories relevant for research question one are theories regarding the Agency’s objectives and constraints (i.e. costs, capacity, service, demand and strategies), as well as theories of centralisation and decentralisation. The output from research question one are the analysis model where connections between the different theories are presented and discussed. The relevant theories are gathered through a literature study and concluded in chapter 3. *Theoretical framework.*

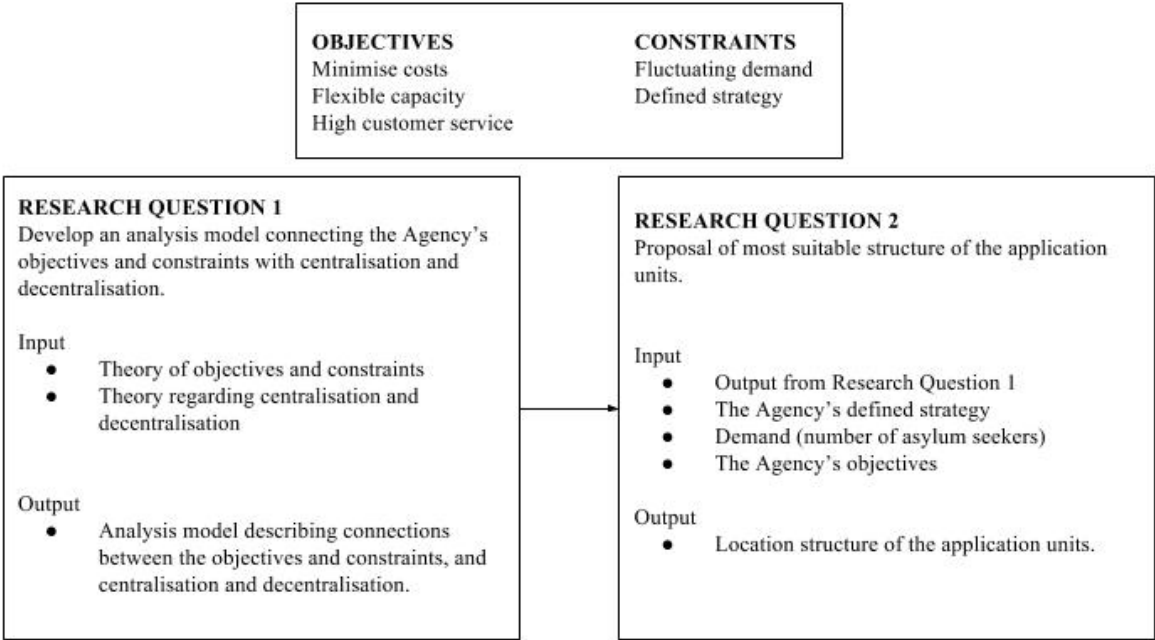


Figure 4. An illustration of the research process of the thesis.

The analysis model is used to answer research question two. In order to understand which structure that is suitable for the Agency, empirical data has been gathered through interviews, internal data system and public records on the Agency’s webpage. An observation of the application unit in Gothenburg has been performed in order to get a deeper understanding of the flow of the application process and the working environment. Also, previous empirical studies have been investigated in order to understand the current situation at the application units. The gathered data regarding the Agency is compiled in chapter 4. *Current Situation.* To ensure that the information has been interpreted correctly, that information is not missing and to validate the result, a workshop has been held with different employees from the Agency. Finally, a proposal of which location structure that is suitable for the application units, based on the constraints and objectives specific for the Agency’s situation, have been developed.

2.2 Literature study

The analysis model is created from studied literature, in order to anchor the research in accepted theories. The literature study includes an initial wide search of applicable theories to facilitate for development of the aim and research questions but also for defining the scope.

Firstly, the studied literature handles characteristics of services and customer service. Thereafter literature regarding public organisation, business strategy and flexible capacity are presented. Literature about decentralisation and centralisation with focus on the general terms as well as the organisational design decision of centralisation or decentralisation are then explained. Finally, literature regarding centralised and decentralised location structures, mostly based on theories of warehouse locations, has been studied.

The platforms, Chalmers Library and Google Scholar, have been used when looking for relevant theory, since these platforms are considered as trustworthy. Search words that have been used are “centralisation versus decentralisation”, “centralised warehousing”, “public organisation”, “service management”, “service operation management” and “capacity management”. Different books, articles, reports etcetera have also been used to get a broad perspective. After collecting and analysing the data, the most relevant parts have been selected and presented in the analysis model.

2.3 Selection and collection of empirical data

This subchapter presents the methods used for gathering empirical data. First, interviews are presented, followed by a presentation of the observation. Then, the use of previous empirical studies and workshop are discussed. How data have been selected and collected for each method is presented in every subchapter.

2.3.1 Interviews

Qualitative interviews can be unstructured or semi-structured compared to quantitative interviews which are structured (Bryman, 2008). Bryman (2008) mentions some differences between these approaches such as higher flexibility for a qualitative approach and more details by letting the interviewee steer the direction of the interview. The interviews in this research have been of qualitative character, since it has been considered important to let the interviewees provide the researchers with information about all important aspects of the Agency. This has in turn helped the researchers to have the right focus.

The research started with an interview with Dahlin (2015-12-15) at the Agency in Kållerød, Gothenburg, where he introduced the project and background to the problem. He spoke freely about the subject, the Agency's issues and what they wanted the thesis to handle. Bryman (2008) claims that this type of interview is an unstructured interview. The second meeting with Dahlin (2016-01-25) was a semi-structured interview, according to Bryman (2008), since he was approached with a list of questions but answered them relatively freely. Dahlin have continuously been interviewed during the whole process and he has also been responsible for selecting other interviewees that have been of interest for the thesis, called convenience sample. Convenience sample is according to Bryman (2008) when the researchers do not choose whom to interview, instead a person from an organisation chose interviewees. Convenience sample can become biased, since the samples are not homogenous and instead chosen due to ease of access (Kothari, 2004). It is therefore possible that Dahlin is biased and subjective when choosing the employees. This method was still chosen due to Dahlin's wide network of people with specific knowledge, which the researchers needed. Since Dahlin is the initiator of this thesis, his intention seems to be genuine and Dahlin is not expected to have any reasons for being subjective. Also, due to the time horizon of this thesis, it was important to easily and fast get in contact with the employees having the right competence and knowledge. Another argument for using this method was that Dahlin has the authority needed for bringing relevant information such as reports and documents. Since the Agency is a public organisation with high focus on integrity and security, going through Dahlin made it easier to access needed documents and information. All interviewees were interviewed in a semi-structured or unstructured way in order to receive as much information as possible. The people that were interviewed at the Agency are presented in table 1.

Table 1. Displaying the interviewees, the date for interviews, their title at the Agency and the interview topic.

Name	Interview date	Title	Interview topic
Aghili, Sean	2016-04-21	Controller	Cost structure
Bjurbäck, Johan	2016-04-29	Team Leader	Workshop
Dahlin, Daniel	2015-12-15, 2016-01-25 2016-03-23, 2016-04-20 2016-04-27, 2016-04-29	Operational Director's Staff	Everything
Johansson, Fredrik	2016-03-23, 2016-04-04 2016-04-29	Team Leader	Application units, application process, asylum seekers, workshop
Lindahl, Helene	2016-04-05	Contract and Negotiation Specialist	HR questions
Ojamo, Malin	2016-04-08, 2016-04-17	Expert	Strategy, capacity
Sandin, Siri	2016-04-06, 2016-04-07 2016-04-18, 2016-04-29	Administrator	Application process, strategy, capacity and flexibility, HR, workshop
Saurén, Anna	2016-04-04, 2016-04-05 2016-04-18	Service Process Owner	Customer service

2.3.2 Observation

Participant observation was used as a complement to the interviews. An observation was done at one of the Agency's application units in Källered, Gothenburg the 6th of April 2016. The researchers followed what would be an asylum seeker's way through the process. The researchers were guided by Sandin, an administrator at the Agency, and during the observation, questions were freely asked and encouraged. It gave an insight into the application process, how the process is structured and how it is connected to other parts of the asylum flow. Advantages of participant observation are to see the situation through others' eyes and see actual behaviour (Bryman, 2008). It is then more likely to find unexpected issues. Since the application process is possible to observe and has a continuous flow of asylum seekers, the participant observation is a relatively easy method to use for collecting data.

2.3.3 Previous empirical studies

Two previous studies have been made during 2014 and 2015 at the Agency. One is a master thesis made by Carina Iversen and Louise Sandén called "A Framework for Increasing the Flow Efficiency in a Public Organisation through Operations Management Principles". Data collected from this study includes descriptions of the application units' and its processes and types of asylum seekers. The second study is a capacity report of the Swedish Migration Agency's application units written by Shanna Moen Bondesson and Johanna Hanson. Data collected from this study were the applications unit's structures and processes as well as their capacities. The two studies have been used as a part of the basis for this thesis by bringing fundamental knowledge about the Agency and the application process to the researchers. The studies trustworthiness is discussed in *2.4.1 Trustworthiness*.

Other previous empirical data that have been used are statistics about the number of asylum seekers in Sweden and its fluctuations. These statistics are gathered by the Agency and published on their webpage (Migrationsverket-3, 2016). Data has also been collected from the Agency's internal data system. The researchers have not had access to this system by themselves, instead by help from Dahlin and Johansson. The data includes number of asylum seekers per year and per application unit, the number

of registered asylum seekers per border location and the number of asylum seekers per type of asylum seeker.

2.3.4 Workshop

A workshop was performed to verify the data and to validate the results for the Agency. The targeted group of employees for the workshop was chosen based on competence, working area, willingness to meet up and give their own thoughts on the issues. The group consisted of four employees Bjurbäck, Dahlin, Johansson and Sandin. The workshop was set up at the Agency's office in Gårda the 29th of April 2016. The workshop started with a short introduction to the thesis and its results. Thereafter, the employees had a chance to discuss the collected data, how the empirical findings have been related to theories from the literature study and the proposed solution. The workshop gave insights to the researchers of what is important and if something need to be adjusted. It was also a way to anchor the solutions at the Agency and to prepare them for the thesis's recommendations.

2.4 Source credibility

The credibility of the sources of information is discussed in this section and the chapter is divided into trustworthiness and ethical considerations. By discussing the references' credibility, the whole thesis's credibility can be evaluated.

2.4.1 Trustworthiness

It is especially important for qualitative studies to show trustworthiness (Ahrne & Svensson, 2013). Using triangulation, which means that several methods, types of data, theoretical perspectives or researchers are combined and is studying the same phenomenon, improve trustworthiness. As described in 2.3 *selection and collection of empirical data*, different methods to gathering data have been used as well as different types of data, both primary and secondary data. Primary data is data that is collected only for this report while secondary data is already gathered and not specifically for this report (Lundahl & Skärvad, 1999). Primary data are collected by interviews and observations, while secondary data are collected from previous empirical studies made by the Agency and students from Chalmers.

Furthermore, the interviewees have verified the collected empirical data in order to make sure that the researchers have interpreted and understood the data in a correct way. This has been especially important in this thesis since only one person has been interviewed for some segments. Also, Dahlin has been used as an inspector for all gathered data since he has wide knowledge of the Agency's operations. By discussing the data with the interviewees in this thesis, the trustworthiness is increased.

A part of trustworthiness is to discuss validity and reliability. Validity is by Eriksson and Wiedershiem-Paul (2008) to ensure that you are measuring the things you intend to measure, while reliability is how well the measurement withstands incorrect values. Since this thesis is a qualitative research describing a specific situation by interviews and observations, it is not important to talk about reliability for such a case according to Eriksson and Wiedershiem-Paul (2008). While, validity is still important to discuss. The collected data has been validated during the workshop with targeted employees at the Agency. Thereby, they have the opportunity to highlight data that has been misinterpreted or emphasises data that is of higher importance, as well as discussing if some data are wrong. It should also be mentioned that the employees attending to the workshops have varying competences and can thus contribute with different perspectives. The authenticity, dependability, if the data are twisted and the interviewees' self-interest has been discussed during the workshop. The validity of the thesis is thereby viewed as high for being a qualitative research.

2.4.2 Ethical considerations

Some considerations regarding the ethical principles have been brought up. Bryman (2008) mentions four areas for ethical principles: if there is harm to participants, if it lacks informed consent, if it is an invasion of privacy and if it involves deception. For instance, when interviewing a worker, there is a

chance that the interviewee feels criticised. It is important to take this into account when collecting data and put pressure on the purpose of this thesis. It can also be favourable to have anonymous interviews and asking for consent from the interviewees to overcome the ethical issues. During the interviews and observation made in this thesis, the researchers have been aware of the ethical implications. They have therefore been open towards the interviewees about the objectives for this thesis and that the focus for the thesis is to give a proposal and not a strict decision of how to structure the application units. The anonymity was not discussed during the interview moment and since the interviews were held without the concern of anonymity the interviewees spoke freely about their subjects. Afterwards, when they were asked if they approved the use of their names they did not express any concerns about the anonymity and it has therefore not been an issue in this thesis. Another area regarding the ethical consideration was that the asylum seeker was not interviewed in this thesis. It was due to protecting the integrity of the asylum seeker, as well as respecting their current situation regarding concerns of asylum permission and their rough travel route to Sweden. Instead, the researchers went through the application process that the asylum seeker follows and took into account how it would be like going through the process. This was explained in the chapter 2.3.2 *Observation*.

2.5 Generalizability and contribution

Generalisation is, according to Maxwell (2012), to what extent the results of a research based on a specific case can be used on other cases. Generalizability is not often used in a qualitative research since the researchers investigate a specific, small scenario with purposive sampling instead of probability sampling. This thesis is a qualitative research with focus on the Agency and its objectives and constraints. Though, it is still possible to generalise the analysis model that are developed from the theoretical framework. This model is based on theories regarding the Agency's objectives and constraints but, since it is based on theories, it can be used in other contexts and situations. The second part of the thesis, regarding the specific analysis model for the Agency, cannot be generalised since it is specific for the Agency and the Agency's challenges.

This thesis contributes to the research field of warehouse locations and the adaption of it in the service industry, and more specific how the unit structure of a service affects different factors. It currently exists some studies within this field, focusing on manufacturing, but only a few studies have been made within the service industry. This combined with the increased focus on services that exists today mentioned by Lovelock and Wirtz (2011) gives a sense of urgency to the topic and makes it interesting to further investigate.

3. Theoretical framework

The theoretical framework consists of five parts, which is summarised in an analysis model presented in the end of this chapter. The areas investigated in the theoretical framework are based on theories of the Agency's objectives and constraints, and theories regarding organisational structure and design.

3.1 Disposition of theoretical framework

The theoretical framework starts with a short introduction to the characteristics of a service. Relevant literature regarding organisational design and structure within the service industry is hard to find and relevant theories are mostly built upon the manufacturing field. It is therefore important for the reader to understand the main differences between a product and a service. Tlahig et al. (2009) mentions that there are many studies performed within the manufacturing field that focus on issues with centralisation and decentralisation. Their report is mostly based on references from the manufacturing industry even though they are discussing the dilemma within the service industry. Aranda (2003) has encountered the same issue and chose in his study to adopt dimensions from the manufacturing industry to the service industry. The nature of the manufacturing industry has been widely studied within different areas (e.g. centralisation, decentralisation, flexibility etcetera) and therefore studies within the manufacturing field provide a good starting-point for the theoretical framework.

The second part of the framework deals with customer service. Attributes of a service as well as different factors of service quality are discussed in order to give a basic understanding of the different aspects of a service. This will help the reader to understand how changes in this aspect affect the perceived service.

The third part includes selected theories regarding strategies and includes characteristics of a public organisation and business strategy. The characteristics of a public organisation can constrain the way of making business and thereby affecting the strategy of the company. Johnston & Clark (2008) mention that a service company face different challenges depending on what service sector it belongs to, where one of the sectors is public services. It is therefore relevant to discuss how being public impacts a public organisation. Another aspect influencing the strategy is the business strategy. Bhattacharyya (2009) highlights an interesting discussion about what comes first and what influences what, the strategy or the structure. According to Bhattacharyya (2009) the discussion is dual and the concluding remark is that a mismatch between organisation's strategy and the organisational structure are affecting the performance of the business. These are the reasons to why the business strategy dimension is important to deal with in the theoretical framework.

The fourth part of the theoretical framework handles capacity within services, since it discusses ways of responding to a fluctuating demand by adjusting the capacity (Johnston & Clark, 2008; Lovelock & Wirtz, 2011; Slack et al., 2010). An investigation of ways to build flexibility is presented in order to understand how flexibility of capacity can be improved.

The fifth part of the framework, will firstly define organisational design and structure, followed by an explanation of advantages of centralised and decentralised organisational design. Organisational design and structure for warehouse location will thereafter be studied, since it covers the subject of inventory and warehouse locations from a centralised and decentralised perspective. In this part, the costs of different number of warehouses will be discussed since there exist a distinct theoretical connection between different costs and the number of locations. Costs do therefore not have an explicit chapter in this thesis and is instead presented in this subchapter.

3.2 Characteristics for services

Services is in simple terms described as a deed, process and performance and includes all economic activities whose output is not a physical product (Zeithaml et al., 2012). It is generally consumed at the same time it is produced and provides added value in form of convenience, amusement, timeliness, comfort, or health. Lovelock and Wirtz (2011) define a service as a time-based exchange of value between two parties. The ownership of the physical elements of the service does not transfer between

the parties, instead there is an exchange of money, time and effort. The customer expects value in form of labour, skills, products, network or facilities.

In most cases the value of the service is generated by the experience the customer perceives from the service (Lovelock & Wirtz, 2011). According to Johnston and Clark (2008) the customer experience of a service happens during the service process and involves the way the customer is encountered by the service provider (Johnston & Clark, 2008). The experience includes the customer's personal interaction with the organisation, its customer-facing staff, technology and facilities. It results in outcomes in terms of benefits, emotions, judgement (including perceived value) and intentions. The customer's experience of the services can start before the interaction, since it is affected by sales and marketing activities and by word-of-mouth advertising from existing customers. Johnston and Clark (2008) highlight aspects that affect the customer's experience:

- The degree of personal interaction
- The responsiveness of the service organisation
- The flexibility of customer-facing staff
- Customer intimacy
- The ease of access to service personnel or information system
- The extent to which the customer feels valued by the organisation
- The courtesy and competence of customer-facing staff
- Interactions with other customers

Lovelock and Wirtz (2011) agree that interactions and encounters forms the customer experience and they also discuss that the satisfaction of the service is decided when the customer compare the service performance to their expected level of service. Since many services have actions delivered in a sequence it is important to have a good managed service operation. Service operations are generally facing a number of key challenges such as handling multiple customers, understanding the customer perspective, coordinating different parts of the organisation, understanding the relationship between operations decision and business/organisational success (Johnston & Clark, 2008). When it comes to overcoming these challenges, a company needs to understand its service offered to the customer.

3.3 Customer service

In order to meet the expected service level, companies need to understand the customer's priorities of service attributes (Lovelock & Wirtz, 2011). The priority of the service attributes can vary between customers and are decided based on the purpose of using the service, who is the decision maker, at what time the service is used and if it is used alone or in a group. When a company establishes the level of service they need to discuss the wanted degree of performance on each service attribute. Service attributes are for example price, punctuality, quality of service, safety, degree of luxury, physical comfort etcetera. The service attributes are divided into three parts; search attributes, experience attributes and credence attributes (Lovelock & Wirtz, 2011).

The first part, search attributes, includes characteristics of the service that are tangible and can be evaluated before the purchase, for example type of service, location and price (Lovelock & Wirtz, 2011). Meanwhile the experience attributes, second part, cannot be evaluated before using the service. It can for instance be how much you like the service or the service provider and the service atmosphere. Credence attributes, the last part, are attributes that even after consumption are difficult to evaluate and can for example be promised quality level in health, hygiene, repair and maintenance.

When offering a service and deciding upon the service level both tangible attributes and ambient conditions need to be approached (Lovelock & Wirtz, 2011). Johnston and Clark (2008) express the importance of understanding benefits provided to the customer, the emotions the customers feel and their perception of value of money. The attributes differ between services and are interpreted differently by customers (Lovelock & Wirtz, 2011). Often the trade-off for customers is between price versus

service level, where service level includes the service's attributes. Johnston and Clark (2008) discuss ways of understanding the customers' expectations. They can be interpreted in the same way as the service attributes mentioned by Lovelock and Wirtz (2011) above since they deal with similar factors. Johnston and Clark (2008) define the customer expectation through factors of service quality. The factors are access, aesthetics, helpfulness, availability, care, cleanliness, comfort, commitment, communication, competence, courtesy, flexibility, friendliness, functionality, integrity, reliability, responsiveness and security. These are presented and described in table 2.

Table 2. Factors of service quality (Johnston & Clark, 2008).

Service quality factor	Description of factor
Access	Location of service and clarity in route of service
Aesthetics	Appearance and presentation of service
Helpfulness	Service employees offering help or showing interest in customer
Availability	Availability of service goods, employees and facility
Care	Sympathy, patience and care offered to customer
Cleanliness	Tidiness of service environment
Comfort	Physical comfort of service environment
Commitment	Employees commitment to their work
Communication	Ability to communicate information and listen to customers
Competence	Professional execution of service
Courtesy	Respect and politeness of service employees
Flexibility	Ability to change service to fit customer's needs
Friendliness	Personal and warm encounter by the service employee
Functionality	The service ability and function for the purpose
Integrity	Trustworthiness and honesty of service
Reliability	Punctuality of service and ability to keep agreements
Responsiveness	Timeliness and speed including throughput speed with minimal waiting
Security	Confidentiality, personal safety and safety of property during service

3.4 Strategy

This chapter is divided into two parts and initiates with an outline of characteristics specific for a public organisation and ends with a description of the business strategy.

3.4.1 Characteristics of public organisations

Public services are provided by central or local government (Johnston & Clark, 2008). Funding comes through the various forms of business and individual taxation, which is then largely allocated by policies set by the government. The public sector services are facing different challenges. One challenge is that the public services are under continual scrutiny, which means that aspects of service operations must be carefully justified in these organisations. The public service cannot use the pricing mechanism to regulate demand, since this kind of service can be very sensitive in some cases due to lives being at stake. Another faced challenge is having many customers. In a business-to-consumer service, it is often clear who is the customer and if the customers are satisfied, the organisation should be successful. This differs in the public sector where the recipients of the service, as individuals, have little power to influence. Politicians and service managers themselves may have far more power to decide current priorities.

There are some factors that are specific for a public organisation, which is discussed by multiple authors (Boyne, 2002; Christensen et al., 2007). These aspects are relevant to discuss since they impact the strategy and management as well as the environment of a public organisation. These factors and their explanations are presented in table 3. The external factors mentioned by Boyne (2002) are the complexity, permeability, instability and absence of competitive pressure. The internal factors are more bureaucracy, more red tape and lower managerial autonomy. Christensen et al. (2007) agree with Boyne (2002) and argue that the public sector has leaders elected by the public, which impacts its way of doing business. Christensen et al. (2007) explain that public organisations are coping with multiple considerations that are conflicting, such as political steering and control, transparency, insights into decision-making processes, neutrality, quality of service and efficiency. These characteristics are in line with the ones mentioned by Boyne (2002).

Table 3. Factors specific for a public organisation (Boyne, 2002).

	Factor	Explanation
External factors	Complexity	A public organisation has many stakeholders such as taxpayers, service recipients, producers and consumers, which forms a complexity.
	Permeability	Public organisations are “open” and influenced by external events and needs to ensure the service’s responsiveness to the needs of the public. The organisation needs to promote and also protect permeability.
	Instability	There are political constraints that lead to frequent changes for the public organisation as well as short time horizons. It is often a constant pressure of achieving quick results.
	Absence of competitive pressure	A public organisation often lacks competition offering their service. In some cases, there is competition (e.g. education and health industry) but the public organisation does often have a leading position in these markets too.
Internal factors	More bureaucracy	Public organisations have compared to a private organisation increased formal procedures, decreased flexibility and more risk averse. The bureaucratic structures may be caused by increasing accountability, controlling and monitoring of the public sector.
	More red tape	The red tape is described as the obsession of rules rather than results and obsession of processes rather than outcomes. This perspective is more often viewed within public than private organisations.
	Lower managerial autonomy	In public organisation managers have less freedom in their decision-making and acting compared to the private organisation. Rules of hiring, firing and promotions are relatively inflexible.

3.4.2 Business Strategy

A business strategy can be described as the actions that a manager takes to achieve an organizational goal (Vu, 2007), which Slack et al.'s (2010) recall with their definition "the total pattern of the decisions and actions that influence the long-term direction of the business". A business strategy plans for the future success in a dynamic and competitive environment (Sommar, 2012). The overall business strategy is driving the operation strategy, which specifies how an organisation should allocate resources to create product and services (Slack et al., 2010). The operation strategy is expected to improve operations performance over time and should be able to master the skills to implement, support and drive operations strategies.

Implementing business strategy is the first skill and the most basic role of operation (Slack et al., 2010). Almost all companies have some kind of strategy but it is the operational business that puts it into practice. Therefore, without effective implementation even the most brilliant strategy will be rendered totally ineffective. The second skill is supporting business strategy, which means developing the capabilities that allow the organisations to improve and refine its strategic goals. The last skill, drive business strategy by giving it a unique and long-term advantage, is the most difficult one. This can be done by building up exceptional customer relationships, supplier relationships and new product development which are all difficult to imitate.

3.5 Service Capacity

Service capacity is defined by Lovelock (1992) as "the highest quantity of output possible in a given time period with a predefined level of staffing, facilities and equipment". Lovelock (1992) also mentions that when it comes to a capacity-constrained service organisation, capacity planning is necessary. Capacity planning and control are according to Slack et al. (2010) defined as "the task of setting effective capacity of the operation so it can respond to the demand placed upon it". Managers are generally concerned with ensuring that a process has sufficient resources to respond to customer demand without adventure to reach the targeted service level in a cost efficient way (Johnston & Clark, 2008). This has been proven difficult, especially when facing variable volume of demand and different service requirements. This causes imbalances between current demand and available capacity and can in the manufacturing industry be handled by increasing or decreasing the safety stock, but not in the case for service process since services cannot be stored (Jonsson & Matsson, 2009; Johnston & Clark, 2008). Instead capacity can be increased or the utilisation of capacity must be decreased, depending on if the demand is too large or too small in comparison to existing capacity available (Jonsson & Matsson, 2009).

Johnston and Clark (2008) claim that under-utilising resources may unfavourably affect earnings. One example of this is when an airline has low loading factor on their planes, which will lead to low earnings and thereby poor financial results. It has also been stressed that customers seem to be suspicious if a service is unoccupied and instead buzz in a restaurant is for instance preferred. Service employees may also become bored if underutilisation persists, since it can create boredom and doubts if they are needed. That will in turn results in poor service attitudes, which will reduce customer satisfaction and thus lower profitability. In turn, overstretched capacity can result in suffered service delivery since an increased inflow of customers will increase the queuing time and the employees cannot devote desirable attention to the customers (Johnston & Clark, 2008). It is also a risk that customers will turn away during peak hours if the queue is too long, which will lead to revenue lost (Lovelock, 1992).

It is important that the capacity is balanced, since both underutilised and overstretched resource can be disadvantageous (Johnston & Clark, 2008). If several customers arrive in a quick succession and requires a longer-than-average processing time, queues will be build up in front of the operation until the level where customers become dissatisfied with the time they have to wait. On the contrary, when customers arrive less frequently than average and requires shorter than average process times, some of the server in the system will be idle. This means that even when the average capacity of the operation matches the average demand on the system, both queues and idle time will occur.

It is, when managing the capacity of a queuing system, difficult to know how many servers to have available at any point in time (Johnston & Clark, 2008). This since unacceptably long queuing times or

unacceptably low utilization of the servers wants to be avoided. Therefore, the capacity planning and control often represent a trade-off between customer waiting time and system utilisation. Variability in demand or capacity will reduce the ability of an operation to process its inputs. Great variability in arrival time or activity time at a process will suffer both high throughput times and reduced utilization. Long throughput time means that queues will be built up in an operation, a high variability also affects inventory levels. The implication of this is that the greater the variability, the more extra capacity will need to be provided to compensate for the reduced utilization of available capacity. Therefore, operations with high levels of variability will tend to set their base level of capacity relatively high in order to provide this extra capacity. Another way of meeting high variability is by building in flexibility in the capacity utilization and is therefore further investigated.

3.5.1 Building flexibility

Johnston and Clark (2008) highlights that building flexibility will improve the resource utilisation. Flexibility is, according to Gerber et al. (2014), how capable a company is to fast respond in a suitable way to changes and to new information. When acting in an environment with drastic changes, the more important it is to have flexibility. By reaching optimal performance long term, flexibility is crucial. Idris (2012) stresses a company’s need to adjust to the ever-changing nature of operating in a global business, and mentions previous studies that agree with Gerber et al. (2014)’s view that flexibility can improve the performance of a business.

It should also be mentioned that building flexibility has other effects. Aggarwal (1997) highlights some advantages and disadvantages of flexibility. Advantages are improved utilization, labour savings, substitute for over plus of inventory, too high capacity and specialisation tasks. It can also for intangible resources give economies of scale, decrease redundancies and cycle time, improve capability of manufacturing, and eliminate chaos and daily fire-fighting. Disadvantages with flexibility, according to Aggarwal (1997) are that it can be expensive, can give a focus on technology, which could end up with technology overkill, it needs investment of time and the human nature of disliking and resisting changes.

When building flexibility, it is relevant to define what kind of flexibility that is required. It has been proven that different authors chose to categorise service flexibility in different ways. Table 4 explains Johnston and Clark’s (2008) four different types of flexibility and its characteristics. Meanwhile, Aranda (2003) categories flexibility into seven dimensions, which is named and divided differently but touches upon the same types of flexibilities as mentioned by Johnston and Clark (2008).

Table 4. Shows different types of flexibility and its characteristics (Johnston & Clark, 2008).

Type of flexibility	Characteristics
New product flexibility	Ability of the organisation to introduce new services into an existing mix.
Product mix flexibility	Ability of the organisation to deliver more than one service product.
Delivery flexibility	Capability of the operation to change the timing of the activity.
Volume flexibility	Ability of the organisation to change its level of output to cope with fluctuating demand.

In addition, the range, response, effectiveness across the range and the cost of providing the flexibility must be considered (Johnston & Clark, 2008). The range deals with question about how much flexibility that is required. For example, a call centre might need to move from 5 000 to 10 000 calls one day, and be able to answer 7000 calls another day. The responsiveness, in other words “how quickly the change must be made” must also be considered. Can the change from 5 000 to 10 000 calls take 4 hours or must

it be made within 2 hours? Johnston and Clark (2008) highlight the faster responsive, the more expensive it will be. Finally, the effectiveness across the range must be discussed, followed by the limits of cost of providing the flexibility.

After determining what type of flexibility and the additional factors described above, different methods of building flexibility can be used. The literature explains different methods for building flexibility and adjusting capacity. Johnston and Clark (2008) highlight four approaches: flexible employment contracts, overtime, short-term outsourcing and menu-driven service (standardisation). Meanwhile Slack et al. (2010) put emphasis on four similar approaches: overtime and idle time, varying size of the workforce, using part-time staff and subcontracting. A merge description of the different methods is described below.

Overtime and idle time

The first way of adjust capacity is by varying the number of productive hours worked by the staff in the operation (Slack et al., 2010) and this is the most common method to building volume flexibility (Johnston & Clark, 2008). Overtime is worked when the demand is higher than the nominal capacity. On the contrary, idle time is when demand is lower than nominal capacity the amount of time spent by staff on productive work can be reduced and it may be possible for staff to engage in other activities. It is important to keep in mind that this method is only useful if the timing of extra productive capacity matches that of the demand. For example, it might not be possible to work extra hours during the evenings. Overtime is also associated with extra payments, which is normally necessary to secure the agreement of staff as well as the cost for paying staff that are not productive.

Change size of workforce

If the capacity is largely dominated by workforce size a second way to adjusting the capacity can be by adjusting the size of the workforce (Slack et al., 2010). This can be done by hiring personnel when demand increase and lay them off when demand decrease. Different costs for recruitment and severance payments as well as low productivity while new staffs go through the learning curve are associated with this method. There might also be ethical implications when hiring and firing dependent on demand.

Flexible employment contracts

A third method is to have flexible employment contracts (Johnston & Clark, 2008). By recruiting employees to work a given number of hours per week, month or year, makes it easier to match expected demand (Johnston & Clark, 2008; Lovelock & Wirtz, 2011). This method may also require employees to alter between different departments in order to cover where it is a need (Slack et al., 2010). It is important to keep in mind that these employees may not be as effective when carrying out task that they are less familiar with (Johnston & Clark, 2008).

Subcontracting

Subcontracting, when a company buys capacity from another organisation, is a fourth method used in periods of high demand (Slack et al., 2010). Johnston and Clark (2008) uses, the term “short-term outsourcing” instead, which similarly can be described as a relationship with another service provider who can help an organisation to deal with short-term peaks. Both explanations are based on meeting demand without extra expenses of investing in capacity (Johnston & Clark, 2008; Slack et al., 2010). Slack et al., (2010) claim that subcontracting can be an expensive method if the subcontractor wants to make sufficient margin out of their business. It is also associated with other risks, for instance that the subcontractor is unmotivated to deliver desire quality, and pre-qualifications of the supplier might therefore be necessary, or that the subcontractor wants to enter the market itself.

Standardisation

A fifth method, standardisation or menu-driven service, means that a service offer is standardised, which effects the number of customers that can be served (Johnston & Clark, 2008). Standardisation results in a smoothing of the workload as well as an opportunity to customize due to the use of standardised modules.

Multifunctional teams

The last method, multifunctional teams, allows groups of employees to deal with fluctuations in workload (Johnston & Clark, 2008). There are different benefits associated with this approach such as helping each other and the ability to change capacity rapidly. Aggarwal (1997) mentions that people can increase their flexibility by being cross trained, given responsibility, having a skilled leader, being motivated and creative, and having flexibility in their tasks in order to share workload and information. Olivella and Nembhards' (2016) study discuss cross training for work teams in order to cope with a mix variation of the demand. They point out that cross training can improve production flexibility and therefore handle a larger range of possible demands.

Cross training is an effective technique to improve motivation and can be used by horizontally, upwards and downwards, or vertically, between departments, perform different working tasks (Gawali, 2009). Cross training does also enable companies to move employees to bottleneck stations and thereby improve capacity (Lovelock & Wirtz, 2011). It needs to be carefully planned and be seen as an opportunity to learn (Gawali, 2009). Another form of cross training is called job rotation. These are often during a longer time period, between one to six months, and the working role is changed. Cross training and job rotation improve employees' knowledge, confident, expertise and each other's replacement. Cross training is important because it prevents stagnation, increases professional development, increases understanding for other departments and the whole organisation, improves coordination and teamwork, decreases bad competition, improves skills and performance, increases motivation and helps spreading goals and objective within the organisation.

Cross training does encounter some challenges such as resistance, work overload and confusion (Gawali, 2009). Employees can be resistant if they need to learn new things, they can get work overload if the cross training is too frequent and they can become confused if the objective of the cross training is not communicated or if the competence of the employee is over assessed. How to make cross training effective is by determine who is eligible for cross training and if it will be voluntary or mandatory, setting up a team that will evaluate the feasibility of cross training within different business areas and schedules of each position. One way of handling this is by doing a list of tasks and functions that are important to the business, then to prioritize and decide what will be included in the cross training. Another way of improving the effectiveness of cross training is by selecting multiple trainers for each position, letting the cross trainers have enough time to learn, make sure the management gives full support and trying to reduce resistance from employees by including them in planning etcetera. According to Olivella and Nembhard (2016) the effectiveness of cross training does depend mostly on how it is performed. It requires clear goals, training costs and time. In Olivella and Nembhards' (2016) article they have concluded that the different demand scenarios they will investigate is defined by what level of variability the organisation wants to have the ability to encounter. They identify these possible scenarios and estimate the likelihood that it will happen.

After understanding the theories regarding the objectives and constraints of the Agency, the next area to investigate is organisational structure and design in order to connect the theories of centralisation and decentralisation to the theories regarding the objectives and constraints.

3.6 Organisational structure and design

When studying literature relevant for the theoretical framework both organisational structure and organisational design have been mentioned when it comes to literature regarding centralisation and decentralisation. Organisational structure is defined by Jones (2004) as a formal system of authority and tasks that control coordination of activities and resources to reach the organisation's goals. Organisational design is on the other hand a process, which selects and manages structural and cultural aspects to control important activities to achieve the organisation's goals.

Organisational structure tends to affect the performance of a company (Subba, 2010). Mullins & Christy (2010) mention two organisational structures, which are centralisation and decentralisation. They also highlight the benefits with centralisation, which can improve economy of scale, improve coordination, better use of specialisation and improve the decision-making. On the other hand, decentralisation has

benefits, such as improving customer service and responsiveness and enabling decision-making closer to the operational work (Mullins & Christy, 2010).

Corresponding, but for organizational design, Schlevogt (1995) investigates factors that would influence a centralisation and decentralisation decision regarding a Taiwanese company's organisational design. He mentions that current studies, both quantitatively and qualitatively, on factors influencing centralisation and decentralisation of organisational design are very limited. The benefits of centralisation and decentralisation mentioned by Schlevogt (1995) are concluded in table 5.

Table 5. Advantages of centralised versus decentralised organisational design (Schlevogt, 1995).

Advantages of centralisation	Advantages of decentralisation
<ul style="list-style-type: none"> • Increased possibility for coordination • Increased integration • Increased control • Improved optimization for the company as a whole 	<ul style="list-style-type: none"> • More time and cost efficient • Improved use of local competence and knowledge • Increased responsiveness to local circumstances • The employees' motivations are improved • Increased capability of management's information processing

There are some benefits with the decentralised organisational design, which is being more local and increase the responsiveness to local circumstances (Schlevogt, 1995). Another benefit is increased efficiency of costs and time since employees do not need to spend time waiting on decisions or trying to influence decisions that are made in a centralised design. But on the contrary, having multiple managerial levels in a decentralised design needs more managers and will therefore increase costs. Having decentralisation can improve motivation for employees by offering more incentives that are more connected to the individual performance and award. The work that is not routine will increase with a decentralised design, it will lead to the subsidiaries to react by itself to the specific circumstance and therefore will the value of local knowledge and competence increase. Decentralisation will improve the capability of management's information processing because having more staff functions, with a decentralised design, will lead to staff doing some of the processing.

The benefits of centralisation are the disadvantages of the decentralised organisational design. The disadvantages of decentralisation are that it might lead to loss of control since the organisation is separated and one supervisor might need to control multiple subsidiaries (Schlevogt, 1995). There is also a risk that there is a decrease in coordination because the activities are separated. Other factors affected by a decentralised organisational design are the loss of integration and risk of sub optimizing the organisation. Loss of integration due to the separation of subsidiaries and potential sub optimization since the focus can be on only one subsidy when making decisions.

3.6.1 Organisational structure within warehouse location

A part of organisation structure involves the structure of warehouse locations. The role of warehouses has developed over time and can be regarded as receiving, transferring, selecting, shipping and buffer against risk (Pedersen et al., 2012). Warehouses can also be seen as a source for competitive advantage since it can secure a certain service level by having a safety stock and by reducing the distance to the customers. But there can also be one more objective, which is to have low costs (Slack et al., 2010). Slack et al. (2010) stress that the lower costs for the service the lower can the price of the service be to the customers, and thereby can the company compete on price. Costs are related to employees, facilities, materials, equipment and technology (Slack et al., 2010). Nozick and Turnquist (2001) mention costs related to facility, inventory, transportation and service responsiveness as extra important to look into when making a decision regarding distribution centre locations. Companies want to have low costs but still be able to meet customers' requirements of quality, speed and flexibility (Slack et al., 2010). Nozick

and Turnquist (2001) stress that the objective of cost reduction forms a motivation for centralisation of inventory in one warehouse location, while the objective of service responsiveness motivates a location as close as possible to the customers. When locating distribution centres one has to understand this conflict. Richards (2014) does also emphasise the dilemma since it has been proven that the costs of warehouses are affected by the number of warehouses operated within the supply chain. Richards (2014) presents a cost comparison between many and few warehouses, which is visualised in table 6.

Table 6. A comparison between many warehouses versus fewer warehouses (Richards, 2014).

Factors	Many warehouses	Fewer warehouses
Inventory cost	Higher	Lower
Customer reaction time	Quicker	Slower
Facility cost	Higher	Lower
Inbound transport cost	Higher	Lower
Outbound transport cost	Lower	Higher
Systems cost	Higher	Lower

As presented in table 6 almost all costs are higher when having many warehouses compare to having only a few. Richards’s (2014) cost comparison can also be adopted for the service industry, but with modification. Inventory costs are according to Slack et al. (2010) related to the storing and maintaining of inventory over a certain time. Since a service cannot be stored a queue will instead be created (Johnston & Clark, 2008). A queue is related to different kind of costs such as the customer’s alternative cost of doing something else than waiting. The queue can also represent a cost for the company, since too long waiting time can result in people leaving the queue and thus lost revenue. Deo (2009) agrees with Johnston & Clark and mention that when looking into the service industry inventory costs do not exist. When it comes to separating different types of costs within a service industry it is not mentioned as much as it is within the manufacturing industry. Though, Lerner et al. (2007) have developed a framework to determine different types of costs within emergency medical service and stress that their costs are divided into HR, training, facility, equipment, transportation, oversight, administration, information system and communication. These costs can relate to all costs mentioned by Richards (2014) except for inventory cost, which does not exist in a service industry.

Pedersen et al. (2012) do discuss major drivers of the centralised and decentralised decision of warehouse location structure. These are different depending on the size of the company, see figure 5.

Warehouse structure	Centralised	<ol style="list-style-type: none"> 1. Inventory level 2. Delivery precision 3. Warehouse costs 4. Number of employees 5. Balance peaks of demand 	<ol style="list-style-type: none"> 1. Competences 2. Inventory 3. Purchasing 4. Data quality 5. Quality control
	Decentralised	<ol style="list-style-type: none"> 1. Delivery time 2. Local exposure 3. Service level 4. Cost of lost sales 5. Transportation costs 	<ol style="list-style-type: none"> 1. Capacity 2. Financial resources 3. Managerial resources 4. Transportation costs 5. Cost of lost sales
		Large	SME
		Company size	

Figure 5. Drivers behind the decision regarding a centralised or decentralised warehouse location depending for large companies and for small/medium size companies (Pedersen et al., 2012).

The main drivers for having a centralized structure are mainly related to costs, scale and control (Pedersen et al., 2012). One main driver for larger companies are decreased inventory costs due to better control of the inventory and less safety stock is required. It is also easier to share information within one unit, which tend to affect the delivery precision positively. Further drivers are less tied-up capital, a reduced number of warehousing staff, reduced learning costs and reduced fixed warehousing costs. Pedersen et al. (2012) also stress that a centralised warehouse structure can facilitate for balancing peaks of demand.

Comparatively, small to medium-sized enterprises (SME) the drivers regarding centralised location are different compared to large companies (Pedersen et al., 2012). For centralised locations the drivers are decreased inventory levels and increased competence due to the ability to have specialists. Another driver is purchasing since the serving costs will be decreased, the delivery volumes higher and increased bargaining power. Other drivers are higher quality of master data and quality control because you can have someone dedicated to this.

The drivers for having a decentralized structure for large companies are the decrease in delivery times and transportation costs (Pedersen et al., 2012). Other benefits are being closer to customer and thereby increase local exposure, increase customer service and an expectation of smaller costs of lost sales.

The main drivers for decentralised locations for SME are capacity, financial and managerial resources (Pedersen et al., 2012). A centralised warehouse needs more capacity and probably a larger investment to increase the capacity, for smaller companies it might not be possible due to less financial and managerial resources. The last drivers are the transportation costs and costs of lost sales. The transportation costs will decrease with a decentralised location as well as the costs of lost sales since you are closer to the customer.

3.7 Analysis model

The analysis model maps the theoretical constraints and objectives effects on corresponding structure of centralisation or decentralisation, and is a summary of the theoretical framework. Three inputs have been used to illustrate the effects, which are presented with description in table 7.

Table 7. Three inputs to the analysis model.

Input	Description
“+”	If it is preferable
“-”	If it is less preferable
<i>Blanc</i>	If constraints and objectives cannot correspond to centralisation or decentralisation since it lacks theoretical evidence

The analysis model is presented in table 8, with corresponding explanations of the logic below the table. A centralised and decentralised structure have been used, where “C” corresponds to centralised structure and “D” corresponds to a decentralised structure.

Table 8. The analysis model.

STRUCTURE		C	D
CUSTOMER SERVICE			
Service attributes & quality factors	Search attributes	-	+
	Experience attributes	+	+
	Credence attributes	+	-
STRATEGY			
Public organisation	Responsiveness (external factor)	-	+
	Bureaucracy/manager autonomy (internal factors)	+/-	-/+
Business strategy	Implementing strategy	+	-
	Supporting strategy	+	-
	Drive strategy	+	-
SERVICE CAPACITY			
Building flexibility	Overtime and idle time	+	-
	Change size of workforce	+	-
	Flexible employment contracts	+	-
	Subcontracting	+	-
	Standardisation	+	+

	Multifunctional teams	+	+
COSTS			
Types of costs	Facility costs	+	-
	Service responsiveness costs	+	+
	Transportation costs	+	+
	System costs	+	-

3.7.1 Customer Service inputs

Three factors of customer service are presented in the analysis model. These are search attributes, experience attributes and credence attribute and are derived out of the Lovelock and Wirtz (2011) definition. These have been merged with service quality factors mention by Johnson and Clark (2008).

Search attributes

The search attributes are related to price, access/location and aesthetics. Mullins and Christy (2010) mention that a centralised structure can lead to economies of scale, while Schlevogt (1995) discuss that decentralised structure is more cost efficient. The economies of scale and cost efficiency can affect a company's pricing, but these are not the only ways to determine the price of a service. It is therefore difficult to determine if pricing is affected positively or negatively by a centralised or decentralised structure. Further, Pedersen et al. (2012) argue that access/location is affected. A decentralised structure improves local exposure, which means that the geographical distance to the customers is closer and thus increasing the accessibility. Therefore, it is preferable from a location-perspective to be decentralised. Aesthetics is also a factor that might depend on if it is a centralised or decentralised structure. Schlevogt (1995) argues that local knowledge and competence increases when using a decentralised structure and thus can the aesthetics be adopted to local needs in an easier way. Consequently, it is preferable from an aesthetic perspective to be decentralised. The inputs drawn from this is that the service level and quality based on search attributes prefers a decentralised structure rather than a centralised structure.

Experience attributes

The experience attributes are described as how much you like the service and atmosphere, and involve factors such as comfort, functionality and responsiveness. It has not been possible to find theoretical evidence of a connection between organisational structure and the attributes comfort and functionality. For the attribute responsiveness, Mullins and Christy (2010) mention that a decentralisation improves responsiveness and thus customer service. Pedersen et al. (2012) agree and stress that a decentralisation decrease delivery times, distance to customers and thus increases customer service. On the other hand, Pedersen et al. (2012) also argue that a high degree of centralisation improves delivery precision, since a standardised work can easily be pursued. In this case, there are factors such as responsiveness that prefers a decentralisation, meanwhile other factors such as delivery precision favour a centralisation. Consequently, the experience attribute is viewed as equally preferred in both a centralised and decentralised structure.

Credence attributes

The credence attributes involve factors that have to be taken for granted by the customer such as quality, security and integrity. Pedersen et al. (2012) mention a high degree of centralisation as an ability to improve quality control. Schlevogt (1995) agrees and also stresses improved control for a centralised structure. The control mentioned by Schlevogt (1995) can involve control over security and integrity. The credence attributes are therefore more suitable for centralisation than decentralisation.

3.7.2 Strategy inputs

Two factors of strategy are presented in the analysis model. These are public organisation and business strategy. Findings regarding public organisations are based on studies by Boyne (2002) and Christensen et al. (2007), meanwhile business strategy is based on Slack et al.'s (2010) description.

Public organisation

The external factors, in a public organisation, are the complexity of having multiple stakeholders, ensuring the service responsiveness to the public's needs, changing political environment and lack of competition (Boyne, 2002). The factor regarding responsiveness to public needs can be correlated to the responsiveness to local needs that Schlevogt (1995) mentions is an advantage of a decentralised structure. Pedersen et al. (2012) stress that decentralisation can improve local exposure, which can improve the service level and responsiveness. The other external factors cannot be evaluated in being specifically preferable for centralised or decentralisation since it lack theoretical evidence. The external factors input is therefore based on the responsiveness since there cannot be drawn any conclusion regarding the other external factors.

The internal factors are bureaucracy, red tape and low managerial autonomy (Boyne, 2002). Bureaucracy can be caused by increased controlling and monitoring (Boyne, 2002), and a centralisation does improve controlling and monitoring according to Schlevogt (1995). It can therefore be viewed that there is a connection between bureaucracy and centralisation. The red tape (obsession of rules and processes) has not been found to be preferable based on degree of centralisation. The freedom for managers to take decision is higher within a decentralised structure, which Schlevogt (1995) mentions when he discusses the motivation of employees and the responsiveness to local needs. The decentralised structure is therefore viewed as preferable while centralised structure is viewed as less preferable.

Business strategy

The business strategy is divided into three areas: implementing, supporting and driving (Slack et al., 2010). Implementing the business strategy prefers a centralised structure since it will be easier to share information, mentioned by Pedersen et al. (2012), through the whole organisation and to control if the implementation has been successful, which is mentioned by Schlevogt (1995). Supporting the business strategy as well as driving the business strategy are also facilitated in a centralised structure. This since Pedersen et al. (2012) mention that sharing information is easier to do in one unit rather than many.

3.7.3 Service Capacity inputs

Six factors of service capacity are presented in the analysis model. These are overtime and idle time, change capacity size of workforce, flexible employment contracts, subcontracting, standardisation and multifunctional teams. Findings regarding these factors are based on Slack et al. (2010) and Johnston and Clark (2008) discussions of incorporating flexibility in the capacity. A merge between their findings are the presented factors in the analysis model.

Overtime and idle time

Having the correct information and being able to have an overview of what is happening are important in order to see if employees need to work overtime or if they are having idle time. Mullins and Christy (2010) discuss that centralisation improves the coordination of information, which Schlevogt (1995) agrees on and also stresses that it improves the control. Sharing information is easier in a centralised structure than a decentralised according to Pedersen et al. (2012), which also put emphasis in this case that a centralisation is more preferred.

Change size of workforce

When it comes to changing the size of workforce, correct information is needed (e.g. the available capacity, the number of employees, the current demand etc.). To make decisions of the workforce size, knowledge about contracts and employee rights is necessary. The same arguments as for overtime and idle time can be applied in this context and therefore is a centralisation preferred in this case as well.

Flexible employment contracts

Flexible employment contracts involve recruitment of employees to work a given number of hours or a given time period (Johnston & Clark, 2008). Slack et al. (2010) mention that having flexible employment contracts can require employees to change working place between departments and locations. In order to benefit from the flexible employment contracts, the organisation needs to know how many working hours that are needed and for which department. Therefore, is the argument of control, coordination and information sharing also applied here, and they are according to (Mullins & Christy, 2010; Pedersen et al., 2012; Schlevogt, 1995) preferring a centralised structure.

Subcontracting

Before a decision is taken regarding subcontracting, the available capacity should be utilized (Johnston & Clark, 2008). In this case, centralisation is more preferred due to Pedersen et al.'s (2012) discussion of information sharing which is essential to understand available capacity. Schlevogt's (1995) discussion of improved coordination, control and optimization for the company as a whole also claims that a centralisation is more preferred.

Standardisation

Standardisation might be easier in a centralised structure due to the information sharing ability but can also be used in a decentralised structure. This due to Schlevogt's (1995) discussion of management information processing and both structures are therefore preferred.

Multi-functional teams

Control, coordination and information sharing are important in order to use cross training, which prefers a centralised structure (Aggarwal, 1997; Gawali, 2009; Johnston & Clark, 2008). While, factors about the use of local knowledge, improving motivation for employees to learn new things are associated with decentralisation by Schlevogt (1995). The multi-functional teams are therefore preferred in both a centralised and decentralised structure.

3.7.4 Cost inputs

Four factors of costs are presented in the analysis model. These costs are regarding facility, service responsiveness, transportation and system. Facility and transportation costs are presented by Richards (2014) and Lerner et al. (2007). Service responsiveness costs are interpreted by the researchers as the costs related to performing the service and can for instance be labour costs and equipment costs, which are described by Lerner et al. (2007). Lastly, the system costs are presented based on Richards's (2014) findings.

Facility costs

Mullins and Christy (2010) do not discuss different types of costs, but highlights that centralisation improves economies of scale. Pedersen et al. (2012) mention that fixed warehouse costs are lower for a centralised structure and Richards (2014) claims that facility costs are lower for centralisation, which recalls Pedersen's et al. (2012) description. Centralisation is therefore preferred in order to minimise the facility costs in the manufacturing industry. As mentioned by Aranda (2003) it is possible to adopt dimensions from the manufacturing industry to the service industry, which Lerner et al. (2007) did in their report, where they claimed that facility costs are one type of cost in their service industry.

Service responsiveness costs

Services responsiveness costs are based on the findings by Lerner et al. (2007), and includes costs related to the performance of the service, for example labour and equipment. An increased possibility for coordination and control are stressed by Schlevogt (1995) as benefits of centralisation, which are ways to decrease labour costs. On the contrary, there are other ways to decrease the labour costs to improve the use of local competence, knowledge and motivation, which prefers a decentralised structure according to Schlevogt (1995). The service responsiveness costs are therefore preferring both structures.

Transportation costs

Richards (2014) divides transportation costs into inbound and outbound transportation cost. He stresses that outbound transportation costs are lower for decentralisation while inbound transportation costs are lower for centralisation. Meanwhile, Pedersen et al (2012) do not separate the transportation costs. Instead, he argues that transportation costs are decreased for a decentralised structure. When Lerner et al. (2007) discuss transportation costs within their service industry, it is not divided into inbound and outbound costs. Since this thesis focuses on the service industry, the transportation costs will be viewed as one cost. Depending on where the transportation costs occur, different structures are possible to use. The view on transportation cost is therefore that both structures are preferred.

System costs

Richards (2014) discusses system costs in his publication, where he presents it to be lower for a decentralised structure. No other publication investigated in this thesis has discussed this type of cost and therefore has the conclusion been drawn based on Richards's (2014) study. A centralisation is preferred for keeping the system costs low.

4. Current situation

This chapter will firstly go through general information of the Swedish Migration Agency, the types of asylum seekers that exist and the application units and processes. It will then describe the Agency’s view on customer service, guidelines and strategies. The chapter will proceed with different ways the Agency is using its capacity and end with the Agency’s cost structure. This in order to give a wide picture and understanding of the Agency’s current situation.

4.1 The Swedish Migration Agency

The Agency is a public organization commissioned by the parliament and government (Migrationsverket-1, 2016). The Agency is an authority in Sweden handling applications from people wishing to visit or settle in Sweden, including refugees. The Agency offers people protection from persecutions and conflicts, and offers accommodation to asylum seekers during the application period.

The Agency’s organization is led by a Director General and consists of a head office, a quality department, different independent functions and a business operation division (Migrationsverket-9, 2016). The head office is located in Norrköping and consists of different departments such as an accounting, HR, international, communication, legal, development and business support. It is included in the head office’s duties to provide guidance and support to the operational work. The quality department is responsible to develop and ensure the quality of the different processes. Staff, Lifos, internal audit, supervision, national coordination with external actors are examples of independent functions that report directly to the Director General of the Agency. The operative division is divided into six geographic regions north, central, west, east, south and Stockholm, see figure 6.

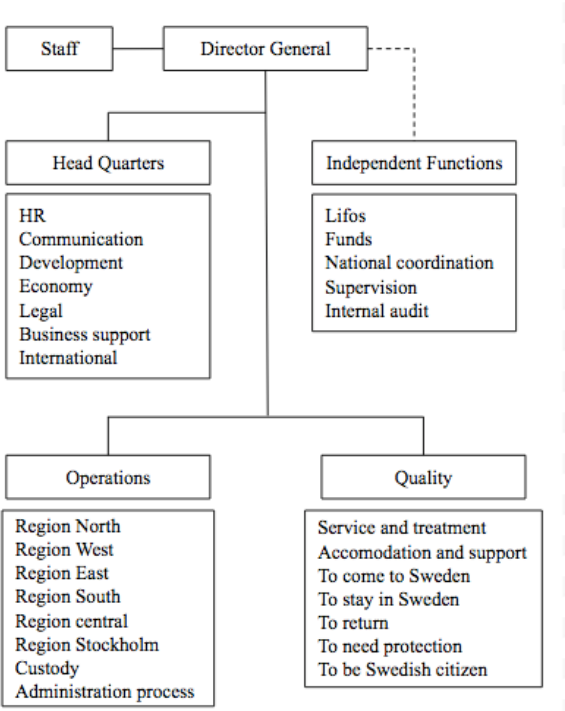


Figure 6. Displaying the Agency’s organization (Migrationsverket-9, 2016)

The operative division in each region is receiving asylum seekers and examining different types of applications for residence permits (Migrationsverket-9, 2016). Each year, the Agency is trying to estimate how many asylum seekers that are expected to arrive in Sweden, in order to be able to plan their capacity accordingly. It is usually difficult to predict the demand, due to various external factors and effects of political actions. In order to facilitate, EU has set up some basic principles to regulate the asylum migrations. These principles collapsed during the summer of 2015 when the control of the outer

border of Schengen stopped working. This was the starting point of an urgent and fast escalating refugee situation in whole Europe. In 2015, the forecast of asylum seekers in Sweden was estimated between 80,000 to 105,000 (Iversen & Sandén, 2014) but ended on almost 163,000 applications during 2015, whereof 35,400 unaccompanied children (Migrationsverket-2, 2016). This represents an increase of 100 percentages compared to 2014 and an increase with 200 percentages compared to 2013 (Migrationsverket-2, 2016; Migrationsverket-3, 2016).

The explosively increase of asylum seekers during the second half of 2015 caused long queues at the application units (Migrationsverket, 2015). Many asylum seekers were therefore forced to sleep outside or in the waiting area in order to not lose their queuing position. Figure 7, shows the explosively increase of asylum seekers, but also how the inflow of asylum seekers has fluctuated between 1984 and 2015 (Migrationsverket-2, 2016; Migrationsverket-3, 2016).

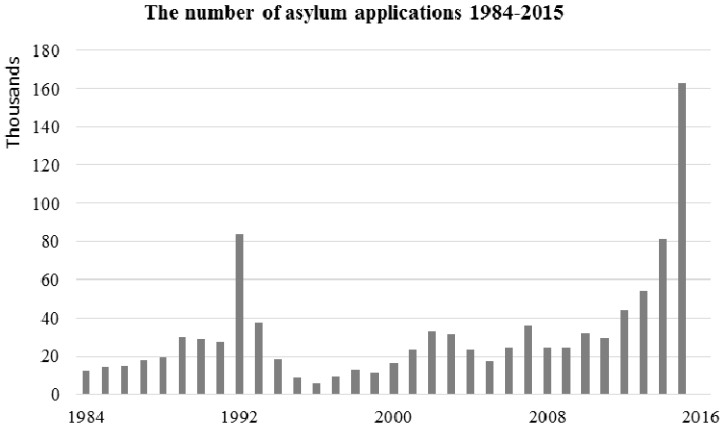


Figure 7. The number of new asylum seekers between 1984 to 2015 (Migrationsverket-2, 2016; Migrationsverket-3, 2016).

Another peak, during the nineties, can also be studied in figure 7, which is derived to the Balkan war (Migrationsverket-4, 2016). In order to be able to seek asylum, the seeker has to be located in the country it is applying for asylum in (Dahlin, 2016-01-25). The asylum seeker needs to apply for asylum in Sweden and they are therefore crossing the Swedish border in different locations and ways. The distribution of registered asylum seekers per border location between 2014 and 2016 is visualised in figure 8.

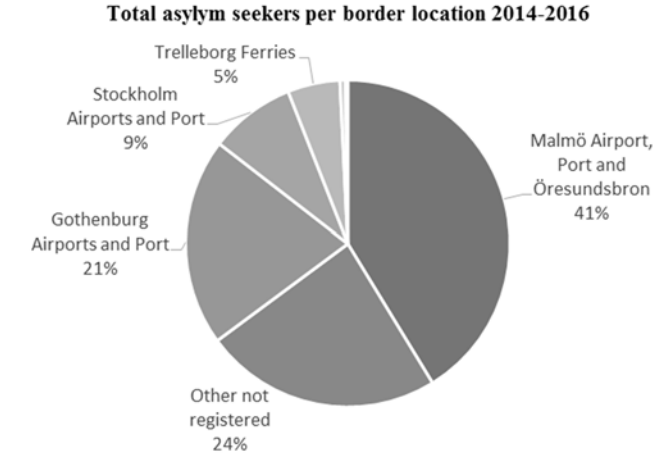


Figure 8. The total number of registered asylum seekers per border location in 2014 to 2016 (Johansson, 2016-04-04).

Crossing the Swedish border in Malmö, either by port, Öresundsbron or airport is the most common way during the previous years, which 41.3 percentages of the asylum seekers did (Johansson, 2016-04-

04). The second biggest way to pass the border refers to “other not registered”, which is a statistical loss or measurement error due to that the seekers have not answering the question, the employees have not registering the answer, the border locations are unknown or an ambiguous response by the seeker. Entering through Gothenburg by ports or airports are another way which 20.6 percentages of the asylum seekers did. Interesting is that Stockholm airports and port had a relatively little number of arrivals (8.6 percentages), compared to Gothenburg and Malmö.

4.2 Categories of asylum seekers

The Agency is, according to Iversen and Sandén (2014), categorising the asylum seekers into different groups, which also Johansson (2016-03-23) agrees upon. Iversen and Sandén (2014) mention five different groups in their report. The first group, *permanent residence permit presumption, PUT presumption*, includes asylum seekers from countries classified as unsafe due to political and environmental reasons. It is in this case, enough reasons to seek asylum and focus is instead on ensuring the person's identity. This group can further be divided into asylum seekers who need accommodations, ABO, and asylum seekers who have their own accommodations, EBO, (Johansson, 2016-04-04). The second identified group, *immediately home country/third country and obviously unfounded, OH/OT*, includes asylum seekers from safe countries with acceptable state protection (Iversen & Sandén, 2014). The third group, *ordinary cases*, includes all cases, which are not included in any of the three groups described above. The fourth group, *unaccompanied minors, BUV*, includes asylum seekers under 18 years old who have arrived without any parent. It also exists an additional group called *Dublin regulation*, which includes those persons who have sought asylum in another country before and hence should be relocated to the first country where asylum was applied. This group can further be divided into the other groups described above, but is only represented as one group in figure 9. A comparison of the distribution of asylum seekers between 2014 and 2015 are presented in figure 9, where 2014 are marked in black colour and in 2015 in grey colour.

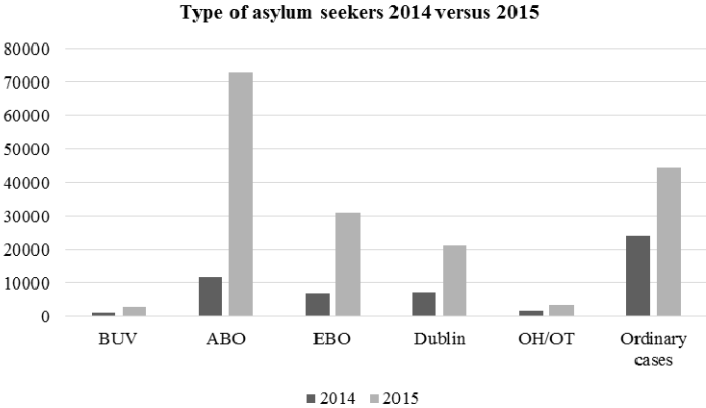


Figure 9. The number of asylum seekers divided per type of seeker in 2014 versus 2015 (Johansson, 2016-04-04).

As can be studied from figure 9, the inflow of asylum seekers increased in all categories during 2015 and the Agency is, in its annual report of 2015, highlighting that it was almost impossible to handle the increased inflow of asylum seekers during some weeks (Migrationsverket, 2015). It took three to four weeks to register asylum seekers, which is a process normally completed within the same day as the immigrant is seeking asylum. It should be mentioned that it was especially hard since a large amount of them were BUV-cases. The Agency also ran out of accommodations granted for the asylum seekers in November 2015 and people were therefore forced to live in the reception area at the application units. This was an extreme situation, which ended in late November 2015, after setting up border controls.

4.3 The application units and process

The Agency has four main application units in Sweden; Gothenburg, Malmö, Stockholm Märsta and Stockholm Solna (Dahlin, 2016-04-20). Other units managing applications are Gävle, Flen, Arlanda and Örebro (Johansson, 2016-04-04). It has appeared that the application units' structure changed during 2015 in order to solve the critical situation. Units, which were handling other types of cases transformed to application units and the processes, were shortened in order to be able to handle more asylum seekers.

The number of asylum seekers handled per application unit in 2014 and 2015 are presented in figure 10 (Johansson, 2016-04-04). The figures show that Malmö handled most asylum seekers during 2014 (25.8 percentages) and 2015 (34.1 percentages), meanwhile Gothenburg handled the second largest number of asylum seekers in both 2014 and 2015, followed by Solna and Märsta. Gävle, Flen, Arlanda and Örebro are smaller application units and do not handle as many asylum seekers as the other four units.

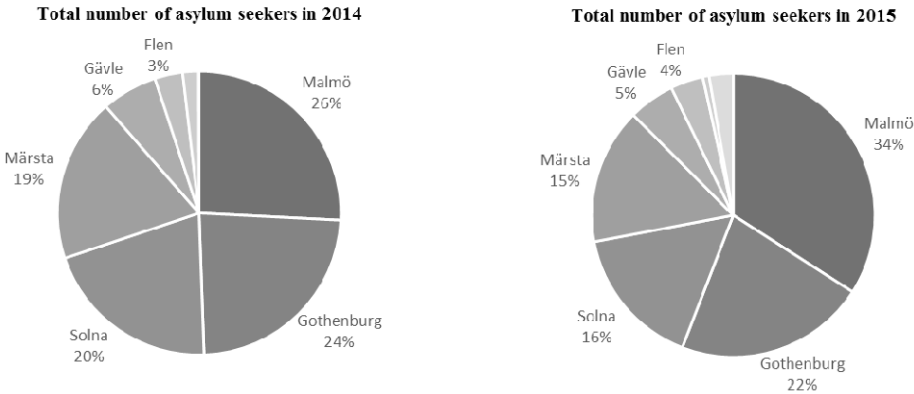


Figure 10. The total number of asylum seekers per application unit in 2014-2015 (Johansson, 2016-04-04).

The application process is the first step in the asylum flow and is today separated from the next step in the asylum flow (Iversen & Sandén, 2014). The application process is independent of the examination process and it currently exists a queue between these two steps (Sandin, 2016-04-06).

When looking at the different application units Bondesson and Hanson (2015) mention that the application units work differently. For instance, Malmö has chosen to change some procedures in their application process to be able to meet their high demand (Dahlin, 2016-03-23). Even though some activities are performed differently, the outcome of all processes are still the same. The activities in the application process are presented and described shortly in figure 11.

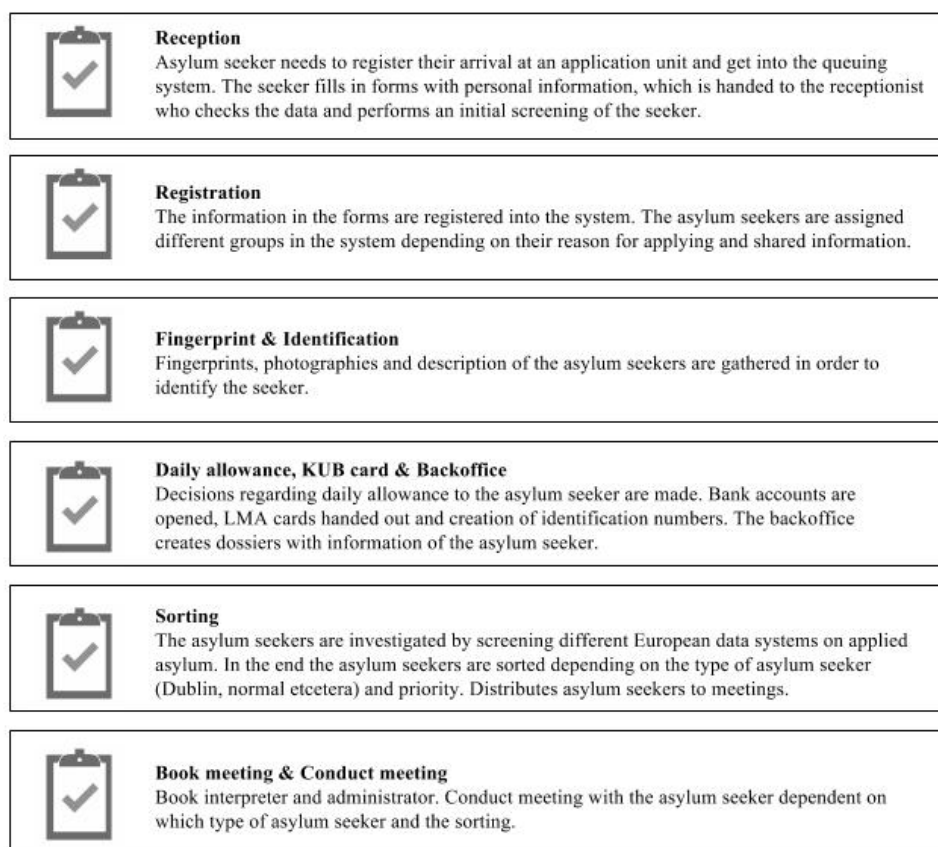


Figure 11. Activities performed in the application process (Bondesson & Hanson, 2015; Iversen & Sandén, 2014; Ansökningsförfarande, 2015).

The different ways of working are partly due to the fact that the application units are handling different types of asylum seekers (Bondesson & Hanson, 2015). For instance, the application unit in Gothenburg is handling BUV-cases meanwhile the application in Malmö does not. When an unaccompanied minor want to seek asylum, the person is referred to an application unit handling this cases, for example Gothenburg. These units have BUV-teams who are responsible for the registration and the contact with the National Board of Health and Welfare in the municipality (Johansson, 2016-03-23).

4.4 The view on customer service

In its 2015 annual report, the Agency describes the goal of customer service as “service that meets applicants and other stakeholders needs” (Migrationsverket, 2015). Other stakeholders are for example NGOs, authorities and municipalities (Saurén, 2016-04-04). Saurén mentions in an interview that the Agency avoids using the word customer service, since the concept is copied from the private business industry and the applicant has in the Migration process more rights than a normal customer. The asylum seeker has for example the right to appeal a decision and higher safety. Also, companies usually want to improve customer service in order to increase sales, but it is different in the Agency’s case. The Agency wants to have good service but they do not want to promote their asylum process in order to attract as many asylum seekers as possible (Bjurbäck, 2016-04-29).

In order to ensure that the asylum seeker is treated correctly, the Agency has developed a standard called “The Agency’s Service Instructions” (Saurén, 2016-04-04). The instruction is presenting guidelines to how the main service should be performed and how the applicant should be treated, and points out a clear strategic direction for the Agency (Migrationsverket, 2015). The instruction is used nationally and states necessary conditions for a good meeting with the asylum seeker whether it is a physical meeting,

by telephone or digitally. It also works to ensure that the Agency systematically put the asylum seekers' needs in focus.

The Agency has made many improvements when it comes to the additional service that they are providing as a complement to their main business (Saurén, 2016-04-04). They have developed three questions where the experience of the additional services are in focus; did you receive an answer to your question, did you get the answer within reasonable time and were you well received. As a complement to these questions, the Agency introduced a new service approach "integrated customer service" during 2015 (Migrationsverket, 2015; Saurén, 2016-04-04). By allowing administrators, case officers, to answering the customers phone calls and thereby give the applicant support and guidance, the handling process can be facilitated (Migrationsverket, 2015). The purpose with this is to increase the availability and quality of the additional service. The Agency has also developed a search function on their webpage where the applicants can get information about their applications (Migrationsverket, 2015, Saurén, 2016-04-04). The number of visitors on the webpage has increased in 2015 and especially during the last period (Migrationsverket, 2015). Saurén (2016-04-18) mentions that the number of phone calls have not increased in the same pace as the number of open errands has, which indicates that the Agency's development of information sharing, guidance and other functions on the webpage are being useful for the applicants. The new login-service has also made more information accessible and the information is also translated into more languages. As well, the appointment booking has been improved and the applicant can now book appointments to request an alien's passport or travel documents, leave fingerprints and in some units pick up LMA cards and apply for allowance. The customer service function, on the webpage, has also reduced the phone queue and calls are now answered faster than before (Migrationsverket, 2015). This reduction will in the long term enable the Agency's employees to focus on more qualified guidance and release time to work with other tasks (Saurén, 2016-04-18).

The objectives of additional customer service and the monitoring of it, are currently under development and new employees have been recruited to work strategically with this (Saurén, 2016-04-04). The Agency expects to see the effects of it in 2016. The Agency has procured a new system, which will be used to collect all kinds of questions, that they receive from the applicant in order to sort them and develop different kinds of surveys. They have also developed a model for failure demand, which will be used to define unnecessary demand and measure it.

The Agency wants to measure customer service for their applicants with the purpose to understand how the service system works and what it delivers, in order to see which improvements that are necessary (Migrationsverket, 2015). The Agency also plans to expand the number of measurements and use more qualitative measurements by letting the applicant give feedback after the phone calls and visits. Service objectives have been set up such as a maximum of 10 minutes waiting time when calling and getting answer on email within 48 hours (Saurén, 2016-04-04).

4.5 The guidelines and strategies

The Agency has different guidelines and strategies that must be followed. These are public organisation guidelines and business strategy, objective and mission.

4.5.1 Public organisation guidelines

It is the parliament and the government that steers the Agency through their guidelines. The work that the Agency performs is regulated through laws, regulations and by appropriations, which are updated each year (Migrationsverket-6, 2016). The parliament and government gives the Agency its missions, while laws and regulations control the direction of the immigration (Migrationsverket-7, 2016). The Agency is obliged to follow these laws and regulations in order to ensure that they are achieving a certain quality level, with high security, protecting the integrity of the seeker or to document in accordance to a standard. Some of the laws and regulations are presented in table 9 with brief descriptions.

Table 9. Laws and regulations the Agency need to follow in their work (Migrationsverket-8, 2016).

Law and regulation	Description
Archive law (SFS 1990:782)	Appropriate archive management and recording
Foreigner data law (SFS 2016:27)	Possibility to manage personal data and to protect integrity
Foreigner data regulation (SFS 2016:30)	Complementary regulations to foreigner data law
Regulation of internal control (SFS 2007:603)	Obligation to follow internal audit regulation
Regulation of public counsel (SFS 1997:405)	Applicability of the law of public counsel
Regulation of time to decision (SFS 2003:234)	Conditions for courts and agencies to provide documentation
Governance law (SFS 1986:223)	Control the dealing of errands and require service
Governance process law (SFS 1971:291)	Includes the right to appeal and legal trial
Public counsel law (SFS 1996:1620)	Conditions of using public counsel
Public procurement law (SFS 2007:1091)	Regulates the procurements
Government regulation (SFS 2007:515)	Manage the agency's responsibilities and operations towards the government
Public and confidential law (SFS 2009:400)	Conditions of the administration, disclosure and confidentiality
Personal data law (SFS 1998:204)	Protecting against offending personal integrity

4.5.2 Business strategy, objective and mission

It is the Swedish parliament and government that decide the Agency's next year's objectives and budget (Migrationsverket-5, 2016). They also state the Agency's missions (Migrationsverket-7, 2016), which is the first step in the governance process presented in figure 12 (Verksamhetsplan, 2016). When the parliament and government are determining the Agency's missions, they are listening to the Agency's needs and puts a lot of faith in the Agency's expertise (Dahlin, 2016-04-29). The missions form the basis for the Agency's business plan, the second step in the governance process, and is created by the Director General (Dahlin, 2016-04-20). The business plan includes supporting documents aimed to help the employees in their understanding, planning and implementation of the Agency's objectives and missions (Verksamhetsplan, 2016). The objectives and missions are further evolved in the implementation plans, the third step of the governance process, and the activity plans, the last step (Verksamhetsplan, 2016). The implementation plans are used by different departments to devise their own implementation plans for their functions (i.e. Human Resources Implementation plan, Operations and Quality Implementation plan etcetera) (Ojamo, 2016-04-18). The implementation plans are then broken down into activity plans on a regional level, in order to be able to perform the mission. The Agency mentions that the managers within the organisation are more of performer than a decision maker when it comes to their missions (Bjurbäck, 2016-04-29; Dahlin, 2016-04-29; Johansson 2016-04-29). They can impact the execution of the mission but not the mission itself and are strictly controlled by the assigned budget. Though, it is mentioned that they want to have some room for action in order to inspire their managers.

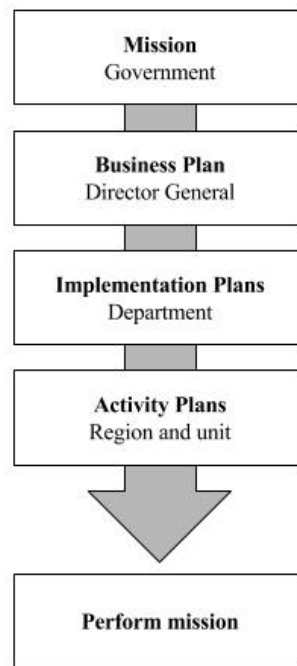


Figure 12. The governance process of receiving mission to performing mission at the Agency (Verksamhetsplan, 2016).

The government’s current objective for the Agency is (Migrationsverket-5, 2016):

“The goal is to ensure a long term sustainable migration policy that protects the rights to asylum and that is in the context of the regulated immigration facilitates the movement over borders, promotes a labour migration based on needs, takes into account the development effects of migration and deepens the European and international cooperation”

The Agency’s mission is, among many things, to consider applications from people wishing to settle down, visit, seek asylum or receive citizenship in Sweden (Migrationsverket-5, 2016). The Agency stresses that their mission is commissioned by the Swedish people, through politicians who takes decision about the migration policy. When receiving refugees in the asylum flow, the Agency also has the mission to provide accommodation and economic compensation for food during the process. If an asylum seeker receives a permission to stay in Sweden, the Agency needs to compensate the municipal and county for the subsistence of the asylum seeker. If the asylum seeker is denied permission, the Agency needs to be active in their work of trying to get the person to leave the country. The decision, if the asylum seeker gets to stay or not in Sweden, are based on the situation in the asylum seeker’s home country and other circumstances (Migrationsverket-7, 2016). The Agency uses their independent function Lifos that acts impartially and proactively, and collects and analyses information about countries and regions from migrants’ countries of origin, in order to facilitate for the examination process (Lifos, 2016). Furthermore, the Agency is responsible of following up each year's activities through an annual report and performs regularly forecasts as well as answering questions through referrals or statements (Migrationsverket-6, 2016).

4.6 The capacity of the service

As mentioned in chapter 4.5.2 *Business strategy, objective and mission*, the governance process at the Agency involves the implementation plans, where the capacity of the service is discussed. The objective of the implementation plans is for the core activities to have a joint document where the goals of each department are articulated and broken down into smaller goals (Ojamo, 2016-04-18). Capacity planning is a part of the implementation plan, which is presented a few months after the business plan (Dahlin, 2016-04-27). Capacity planning is mostly correlated with employees, recruitment and existing IT

equipment to register asylum applications (Ojamo, 2016-04-18). The Agency wants to be flexible in adjusting their capacity in order to be able to meet the fluctuating demand. The capacity planning is therefore based on forecasting and current amount of asylum seekers (Dahlin, 2016-04-27). The staffing is managed by the unit of operational control and coordination by looking into the forecast and taking the number of incoming asylum seekers, the amount of applications to handle and how many employees that are needed for this into consideration (Ojamo, 2016-04-08). Thereafter, a recommendation is given to the Director of Operations. The implementation plan is then broken down to a regional level and is then followed by a break down into local level, performed by each region. The implementation plan is presented one time per year, but is continuously updated and the capacity planning is ongoing. The planning is performed based on calculations in excel, and the staffing is done accordingly. This chapter presents different ways to impact the capacity and thus building in flexibility. The following six sections will be discussed: overtime and idle time, change the workforce size, flexible employment contracts, subcontracting, standardisations and multifunctional teams.

4.6.1 Overtime and idle time

From the Agency's annual report of 2015, it appears that the Agency allows their employees to work overtime (Migrationsverket, 2015). The amount of used overtime increased rapidly during 2015, mainly due to the explosive increase of the number of asylum seekers. In comparison to 2014, the overtime hours increased from 1.2 percentages to 1.8 percentages in 2015. The amount of overtime can also be measured in terms of full time equivalent (FTE), which were 52.5 in 2014, meanwhile 97.3 in 2015. The annual report also shows that 40 percentages of all employees had overtime in October 2015. Figure 13 presents the number of overtime hours per month in 2015.

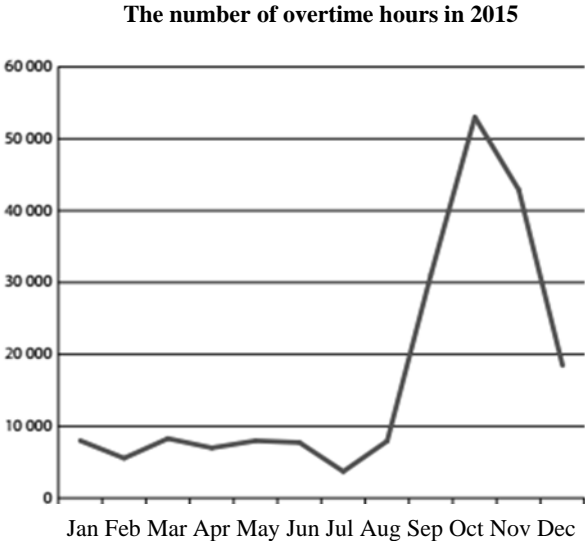


Figure 13. The number of overtime hours in 2015 (Migrationsverket, 2015).

All working hours outside the ordinary working time is defined as overtime by the Agency (Lindahl, 2016-04-05). Overtime is commanded by the manager and is only used when the organisation needs more manpower than normal or if they need manpower on working hours when their employees are not scheduled. The Agency has regulated the compensation as well as the forms of overtime in the employment contracts. The Agency tries to avoid overtime in order to reduce additional costs of overtime, avoid to intrude in their employees' personal lives and to keep a good working environment. But it is stressed by Dahlin (2016-04-29) that using overtime is a method they want to use in order to be flexible in the capacity use. It is also mentioned that the employees are willing to work overtime if they are compensated economically or by having more days off (Sandin, 2016-04-29).

Employees' idle time are handled by trying to increase the workload by help of education, job rotations and relieving other units (Sandin, 2016-04-06). Newly hired employees are therefore educated in different tasks to make it easier to help other employees. Currently, the idle time for some of the employees at the application units are high, for instance at the application unit in Gothenburg, due to a decreased demand of asylum seekers. To the extent, possible working tasks are moved to the application units in order to fill the employees' idle time. It is important that the moved tasks can be terminated quickly in case of a sudden increase of asylum seekers. Examples of quick tasks are to take decisions regarding extra economical support to buy winter clothes or glasses. The Agency has also been investigating the possibility to let employees work somewhere else and come back relatively quick if the demand increases. In both of these cases it is the Unit Manager and the Team Leaders that coordinates and decide which tasks or employees to be moved. The Agency does not have routines to handle the use of idle times and are instead bringing it up, when it is needed, at the management meetings that are held on weekly basis (Dahlin, 2016-04-27). More about how the Agency uses job rotations can be found in chapter 4.6.6 *Multi-functional teams*.

4.6.2 Change size of workforce

Changing the size of the workforce is another way the Agency is using in order to meet the demand of asylum seekers. During 2015, the Agency chose to encounter the explosive increase of asylum seekers by hiring more employees (Migrationsverket, 2015). The planned recruitment was 700 new employees during 2015, but it ended up on 3142 employees. This provides a net increase with 44 percentages and an employee turnover rate of 14.6 percentages, since 885 employees chose to terminate their employment contracts. The high turnover rate leads to higher costs for recruiting new employees as well as a decrease in productivity due to the training needed etcetera (Migrationsverket, 2015). The number of recruited employees per month during 2015 is displayed in figure 14.

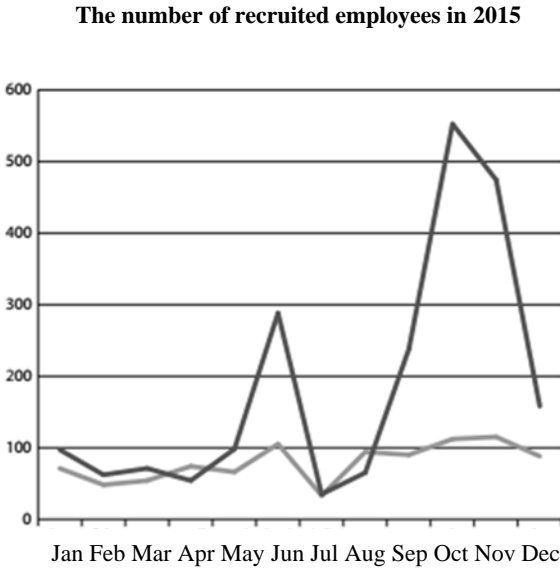


Figure 14. The amount of recruited employees per month, where the dark colour is temporary contracts and the lighter grey colour is permanent contracts (Migrationsverket, 2015).

The Agency's total average number of employees was 6265 in 2015 and is one and a half times larger than two years ago, see table 10 (Migrationsverket, 2015).

Table 10. The average number employees (Migrationsverket, 2015).

Year	Average amount of employees
2015	6 265
2014	4 952
2013	3 979

The Agency has facilitated the recruitment process in order to be able to employ faster (Lindahl, 2016-04-05). The Agency centralised the recruitment process in 2015 because of the peak of asylum seekers (Migrationsverket, 2015). From the 1st of April 2015, the recruitment is handled centrally with requirements from the organisation's managers. The recruitment process has also been simplified with group interviews instead of personal interviews, where new employees end up with a temporary employment contract instead of a permanent. The simplified process takes four weeks instead of seven weeks for the ordinary process.

The main challenge the Agency encounters, when changing the workforce size by recruiting new employees, is the risk of not finding people with the specific qualifications needed for the operational work and not having enough experience within the field (Migrationsverket, 2015). This with the opportunity of internal movement causes vacancies within the organisation and a need to recruit.

When the Agency does not want to recruit but instead decreases the workforce it is not easy due to Swedish laws on employment protection (Lindahl, 2016-04-05). The basis for the employment is permanent and cannot be terminated without a factual basis, which is personal reasons or redundancy. If the Agency wants to use redundancy as a cause to terminate the contract, it is a slow process with economical commitments. The Agency can in some cases use "labour management rights", meaning that they can move the employee to another work where the employee has enough qualifications. If the Agency wants to terminate an employee contract they need to perform a repositioning investigation.

4.6.3 Flexible employment contracts

The Agency uses temporary employment contracts in order to manage shorter vacancies or demand peaks (Lindahl, 2016-04-05). During 2015, the number of recruited temporary employees was 2192, which was almost 70 percentages of the total number of recruited employees in 2015 (Migrationsverket, 2015). The average number of temporary employees in 2015 was 942, which was roughly 15 percentages of the average total number of employees in 2015.

4.6.4 Subcontracting

It follows from the annual report that the agency is using subcontracting in order to have enough employees with correct competence (Migrationsverket, 2015). They have for instance hired external organisations such as the Swedish Civil Contingencies Agency, the Armed Forces and the Probation service. Lindahl (2016-04-05) does also mention the use of subcontracting and highlights that it was especially used during 2015, mostly from other authorities and NGOs. In an interview with Sandin (2016-04-06), it is explained that the Agency has used staffing agencies' employees to perform scanning of ID cards and other tasks where no specific competence is needed. The Agency tries to avoid subcontracting and it is therefore only done in case of emergency (Migrationsverket, 2015). In the end of 2015 they had approximately 75 employees that were hired from external organisations. When the Agency is subcontracting they sign a "lend agreement" between themselves and the external organisation (Lindahl, 2016-04-05). Another contract is set up between the employee, the Agency and the lending agency. It is the Director of Operations who takes decisions and signs the subcontracting agreements.

4.6.5 Standardisation

The Agency wants to standardise their activities in order to be more efficient (Migrationsverket, 2015). Their goals with the standardisation are to decrease the residence time and form a long-term sustainable asylum system. During 2016, the Agency will incorporate a new standard for a new working process, which will affect the organisation. It is called “the revised protection process” and is a development of the current asylum flow, where some changes have been made with the objective to create an efficient flow (Skyddsprocessen, 2016). One of the main changes is called “active waiting” and is developed in order to even the flow on single units.

The Agency uses standard documents of procedures, which are used for some activities in the application process (Ansökningsförfarande, 2015; Sandin, 2016-04-06). Even though this kind of document exists, it occurs that people perform their tasks in their own way and thereby doing things differently. The application units interpret the routines arbitrarily, which has resulted in variations in performance. This can be seen in Bondesson and Hanson’s (2015) report, where all application unit flows are presented. The Agency has put together a reference group, consisting of employees from different units (Sandin, 2016-04-06). This group is a part of the quality division and was developed to look through the routines of the processes in order to create new and improve them (Dahlin, 2016-04-27).

4.6.6 Multi-functional teams

Employees are trained to be able to perform all activities and processes at the application unit (Sandin, 2016-04-06). The objective is to give the employee a wider set of skills and to be able to perform all activities at the unit. The reasons for having this objective are to be flexible to move employees if needed. Movements and job rotations of employees can be done in different ways. Sometimes the application unit helps the examination unit when they have an overload of work. During summers, the examination unit usually helps the application unit since they often lack employees due to vacations. This happens often, especially when the application and examination units are located close to each other. Another way the Agency is using job rotations is for employees between different application units. Therefore, they try to have cooperation between the units and help each other when needed. This is normally done within the region, for example the application unit in Gothenburg helps units within the area called “Region West” etcetera. The units try to help each other by communicating relevant information through phone calls, emails and meetings. The Agency does not have a routine of follow ups on job rotations, but there are some cases where follow ups are made and it depends on if the specific manager wants to do it or not (Dahlin, 2016-04-27).

Employees with enough competence can be moved to perform other activities (Sandin, 2016-04-06). Different roles at the Agency require different competences. The roles at the application units are assistants, administrators, team leaders and managers (Sandin, 2016-04-06). The assistants have less decision-making authority than the administrators, for example can the administrators decide if the asylum seekers will get daily allowance and the assistant can create the bank accounts needed to get the allowance. The administrators can be viewed as a decision-maker and the assistants as the performer.

The Agency has a platform that supports and guides the employees in their competence development called “Migration Academy” (Migrationsverket, 2015). It is also a tool that the employer can use to control and manage the employees. A strategy for competence has been developed during 2015, where the focus is on the employees to learn in daily work life by using standardised development programs. The Migration Academy includes mandatory programs as well as voluntary programs. The system “Kompassen” is used, so that the employee can create a personal page with earlier employments, education and language knowledge. Through the “Kompassen” they can perform web-trainings and plan their future developments. The managers can through “Kompassen” view the competence developments made by their employees and administrate their learning. This can then centrally be followed up by the Agency. An idea is that “Kompassen” can be used to plan capacity in the future (Dahlin, 2016-04-27).

4.7 The overall cost structure

The Agency is, according to Aghili (2016-04-21), dividing its costs into different elements. The overall cost structure, which is accounted for the application unit in Gothenburg, is explained in table 11. The table represents the first quarter of 2016 and the distribution of each cost element is a percentage of total costs. Aghili (2016-04-21) argues that the distribution of the costs presented in the figure, is considered as a normal cost structure. Though, if it is an explosive increase in the number of asylum seekers, the interpretation and translation costs will increase. It will also increase the salary costs for employees since the Agency needs to recruit. Due to the increase of asylum seekers, there is another cost that can be added to the accounted costs for the application unit. This cost is for example the transportation costs of the asylum seekers, which arise if the Agency decides to offer transportation from the Swedish border to a certain application unit, which they did in 2015 (Dahlin, 2016-04-27). Aghili (2016-04-21) also argues that the costs structure is similar across all regions in Sweden.

Table 11. The distribution of costs for the application unit in Gothenburg (Aghili, 2016-04-21).

Cost element	Distribution of total costs
Wages and salaries	43 %
Interpretation and translation	23 %
Employer payrolls and pensions etcetera	21 %
Facilities, rent and operation	9 %
Other services (e.g. telecommunications, monitoring and consultancy services)	1.5 %
Depreciation	1 %
Other employee costs	0.5 %
Development of competences, meetings etcetera	0.5 %
Travelling costs for employees	0.5 %
Purchase of goods	0.5 %
Services of data captured in photo stations	0.5 %

When looking at table 11, the largest costs are related to employees and salaries (i.e. wages and salaries and employer payrolls and pensions), which stands for 64 percentages of the total costs (Aghili, 2016-04-21). According to Aghili (2016-04-21), the high distribution of employee related costs are quite general for service industries, since the largest investment is in employees.

The smallest cost elements accounts for less than one percentage of the total costs each, and include for instance competence development, purchases of goods and the employee's travelling costs. It is stressed by Aghili (2016-04-21) that the Agency views interpretation and translation costs as high and that the Agency has incitements to decrease this cost element. One way to decrease this cost is by having shorter and more efficient interviews with the asylum seeker, which will decrease the needed time with an interpreter. As well, more competent interpreter will also decrease the interview time and thus the costs.

As mentioned above, the table shows the accounted costs for the application unit in Gothenburg. Thus, the costs that arise as a result of the design of this process are not included. It has for instance been proven that the costs for daily allowance and accommodation tend to rise if the asylum seeker registration process is delayed (Dahlin, 2016-04-27). But it is not the application units that pay for these, instead it is the reception units (Dahlin, 2016-04-29). The Agency is often responsible, sometimes it is the social services, for providing transportation for the BUV-cases from one application unit to another if the first application unit does not handle BUV cases. In order to keep this cost low and to facilitate for the children, the Agency tries to register the person in the city where the person is located, even if it is not a “real” application unit.

5. Analysis of current situation

This chapter presents the results of the thesis and starts with the analysis of the analysis model combined with the current situation at the Agency and ends with the summary of it. The purpose of this chapter is to try to answer the research questions presented in chapter 1.3 Problem analysis.

In order to answer the second research question, the factors in the analysis model will be analysed based on the Agency's current situation. During the development of this thesis, it has appeared that other factors, which could not be found in the literature, might have an impact on which structure that are suitable for the Agency. These factors are considered important and should therefore be taken into account when deciding the structure. These factors will be described in chapter 5.5 *The Additional inputs*. The analysis is performed by matching the factors that are of moderate or high importance to the Agency, with the factor's corresponding structure of centralisation or decentralisation. This means that factors that are of low importance will not be taken into consideration. Each subchapter is concluded by summing up the different structures, by choosing the most frequent structure. Thus, the suitable structure for the Agency will be determined. The inputs to the analysis are described in table 12.

Table 12. Inputs to the analysis model.

Input	Description
"L"	Low importance to the Agency
"M"	Moderate importance to the Agency
"H"	High importance to the Agency

5.1 The Agency's customer service inputs

Search attributes

Search attributes are for example price and location (Johnston & Clark, 2008; Lovelock & Wirtz, 2011). The search attributes are of low importance to the Agency since the asylum seeker does not have any other options when it comes to location and does not care about the price since it is not the seeker who pays. From the Agency's point of view, the search attributes are of low importance since they do not want to promote Sweden since their goal is not to attract as many asylum seekers as possible.

Experience attributes

The experience attributes are for example care and responsiveness of the service (Johnston & Clark, 2008; Lovelock & Wirtz, 2011). Dahlin (2016-01-23) stresses that it is important to register the asylum seekers quickly in order to not postpone the access to accommodations, daily allowance and the legalisation of the asylum seeker's stay in Sweden. Saurén (2016-04-04) also stresses the importance of these factors and that they have for instance set up different service objectives in order to improve the responsiveness of the service. The Agency also put emphasis on if the asylum seeker was well received, which is associated with the care factor. The experience attribute is therefore of high importance to the Agency.

Credence attributes

Credence attributes are related to security and integrity issues (Johnston & Clark, 2008; Lovelock & Wirtz, 2011). These issues are of high importance to the Agency according to Saurén (2016-04-04), since the legal rights must be secured. Regulations and laws, that the Agency has to follow, also emphasise the importance of integrity and security.

Concluding analysis of customer service

The analysis of each customer service factor is presented in table 13. Since the search attributes are of low importance, the preferred structure for this factor does not matter. The experience attributes are of high importance but since they are preferable for both structures, it is not definite for the decision regarding centralisation or decentralisation. The credence attributes are the only attribute with a high level of importance, which prefers centralisation. Thus, the conclusion can be drawn that it is more suitable to have a centralised structure from a customer service perspective.

Table 13. The customer service part of the analysis.

STRUCTURE		C	D	The Agency
Service attributes & quality factors	Search attributes	-	+	L
	Experience attributes	+	+	H
	Credence attributes	+	-	H

5.2 The Agency’s strategy inputs

Public organisation

It is stressed that the Agency needs to follow specific regulations and laws, due to being a public organisation (Migrationsverket-8, 2016). The external factor mentioned by Boyne (2002) is service responsiveness and is recognized at the Agency. Service responsiveness is to adapt to the needs of the public and is similar to the Agency's service definition, which is to meet the needs of the asylum seekers and their stakeholders. The external factor, service responsiveness, is therefore of high importance to the Agency.

The internal factors stressed by Boyne (2002) are more bureaucracy and lower managerial autonomy, which can also be recognized at the Agency. The Agency has many formal procedures to follow, often based on laws and regulations, due to for example protecting the asylum seekers’ integrity and security. Bureaucracy is therefore of high importance to the Agency.

Regarding the lower managerial autonomy, the Agency is mentions that they do manage a mission rather than deciding the mission. This means that the managers can impact the execution of the mission but not the mission itself. The managers are controlled by the assigned budget, and thereby are their autonomy relatively low. Though, it is stressed by the Agency that in order for the managers to be inspired, they need to have some room for action. Boyne (2002) stresses that the lower managerial autonomy also involves rules for hiring and terminating employees. It is stressed by Lindahl (2016-04-05) that the Agency needs to follow the Swedish law of employment protection, and she also mentions that redundancy is a slow process with economical commitments. The lower managerial factor is therefore viewed as moderate importance to the Agency.

Business strategy

The Agency’s business strategy is according to Sandin (2016-04-18) set by the Director General and the Swedish government. The strategy is implemented through the implementation plan mentioned by Ojamo and it is important to put the strategy into practice. This since the Agency’s strategy is depending on the continuously changing political and asylum climate. The implementation of strategy is therefore of high importance to the Agency.

Supporting the business strategy includes developing capabilities to improve the strategy. The government does have a great confident in the Agency, and is responsive to the Agency’s will to form the business. The Agency has thereby a chance to affect the strategy and its development since they are experts within the Migration field. The supporting the business strategy is therefore viewed as of moderate importance to the Agency.

Driving the strategy means giving it long-term advantages by finding a new way to make business. It is not stressed by the Agency as something they are currently working with and is therefore viewed as of low importance to the Agency.

Concluding analysis of strategy

The analysis of each strategy factor is presented in table 14. Public organisation corresponds mostly to a decentralised structure, while the business strategy corresponds to centralisation. Summarizing the strategy factors, the Agency can use both structures depending on their strategy perspective.

Table 14. The strategy part of the analysis.

STRUCTURE		C	D	The Agency
Public organisation	Responsiveness (external factor)	-	+	H
	Bureaucracy/manager autonomy (internal factors)	+/-	-/+	H/M
Business strategy	Implementing strategy	+	-	H
	Supporting strategy	+	-	M
	Drive strategy	+	-	L

5.3 The Agency’s service capacity inputs

Overtime and idle time

The Agency uses overtime to manage fluctuating inflow of asylum seekers. It is stressed by Lindahl (2016-04-05) that the Agency tries to use it as little as possible, since it is costly and impacts on the employee's spare time. Though, it is a relatively easy way to affect the capacity and the Agency wants to be able to use it in order to be flexible in the future. It is also stressed that many employees at the Agency are positive to work overtime hours, if they receive reimbursement or days off for these hours. Overtime is therefore of high importance to the Agency to use overtime. Regarding idle time, the Agency is trying to move people around in order to reduce it. Manage idle time is therefore also of high importance to the Agency.

Change size of workforce

The Agency has simplified the recruitment process to be able to recruit employees fast (Migrationsverket, 2015). When it comes to decreasing the number of employees Lindahl (2016-04-05) emphasises that knowledge about the contracts and employee rights are necessary. She also claims that the Agency needs to reposition the employees before terminating contracts, which is both costly and time consuming. Changing the size of the workforce is a complex task to do and is therefore set to moderate importance to the Agency.

Flexible employment contracts

The Agency uses flexible employment contracts such as temporary contracts according to Lindahl (2016-04-05). The use of it increased during 2015 in order to manage the inflow of asylum seekers. The recruitment process has been changed to be able to quickly employ people with temporary employment contracts. Through this, it is an increasing trend of employing temporary workers instead of permanent workers when flexibility is needed. Due to this the flexible employment contracts are of high importance to the Agency.

Subcontracting

Subcontracting is, according to Lindahl (2016-04-05), another way the Agency manage capacity. Also, Sandin (2016-04-06) mentions that subcontracting from other agencies and staffing companies have been used during 2015. Since the Agency wants to avoid the use of subcontracting, the importance of it is low.

Standardisation

The Agency mentions that it is important for them to standardise its working tasks and will continue with this during 2016 (Migrationsverket, 2015). In order to improve the current processes, the Agency has developed a revised protection process. They have also employed a team that are working with standardising routines on all levels in the organisation. Working with standardisation is of high importance to the Agency.

Multifunctional teams

Cross training and being able to perform multiple tasks in different functions are something the Agency is working with and wants to improve, according to Sandin (2016-04-06). People are trained to perform varying tasks and this factor is therefore of high importance to the Agency to use in order to adjust capacity.

Concluding analysis of service capacity

The analysis of each service capacity factor is presented in table 15. The building flexibility factors that are of high or of moderate importance to the Agency are overtime and idle time, changing the workforce size, flexible employment contracts, standardisation and multifunctional teams. The initial three factors correspond to centralisation, while the last two factors correspond to both centralisation and decentralisation. The concluding analysis is therefore that the building flexibility is mostly suitable for a centralised structure.

Table 15. The service capacity part of the analysis.

STRUCTURE		C	D	The Agency
Building flexibility	Overtime and idle time	+	-	H
	Change size of workforce	+	-	M
	Flexible employment	+	-	H
	Subcontracting	+	-	L
	Standardisation	+	+	H
	Multifunctional teams	+	+	H

5.4 The Agency’s cost inputs

Facility costs

Facility costs are one of the cost elements mentioned by Aghili (2016-04-21), and stands for approximately 9 percentages of the Agency’s total costs. Having many facilities will, increase the total facility costs, compared to having only one, large facility, which is referred to Christy and Mullins’ (2010) argument about economies of scale. Since the facility costs, including rents and operational costs, are currently of medium size compared to the other cost elements mentioned by the Aghili (2016-04-21), it is viewed as of moderate importance to the Agency.

Service responsiveness costs

Service responsiveness costs are costs such as labour and equipment (Lerner et al, 2007). In the cost elements mentioned by Aghili (2016-04-21) costs related to employees and salaries, interpretation and translation and other services are included in this factor, since they are needed to perform the service. These costs elements represent the major part of the total costs and are one of the elements that are stressed by the Agency as important to decrease. The service responsiveness costs are therefore viewed as of high importance to the Agency.

Transportation costs

Transportation costs in a service industry exist according to Lerner et al.’s (2007) study of emergency medicine service industry. The only transport cost mentioned by the Agency is the cost of traveling employees, which is low compared to the other cost elements. It is therefore viewed as of low importance to the Agency. It has been found that the transportation cost for the asylum seekers increased during the high inflow in 2015, due to an arrangement of transportation from the Swedish border to the application units. But it is mentioned by Dahlin (2016-04-29) that it is the reception and not the application units that stands for this cost. It is therefore likely that the importance of this cost will change if the Agency decides to do it again.

System costs

The Agency’s cost elements that are related to systems are services of data captured in photo stations and other services. These services include activities such as monitoring, communications, data collection and data transfer, which are all associated with a data system. The size of these aggregated cost elements is larger than the ones classified as small. Therefore, the system costs are viewed as of moderate importance to the Agency.

Concluding analysis of costs

The analysis of each cost factor is presented in table 16. The factors with moderate importance to the Agency prefers both a centralised structure, meanwhile the factors that are of high importance to the Agency prefers both structures. The concluding analysis of the costs input is therefore that both structures can be preferred for the costs input.

Table 16. The costs part of the analysis.

STRUCTURE		C	D	The Agency
Types of costs	Facility costs	+	-	M
	Service responsiveness costs	+	+	H
	Transportation costs	+	+	L
	System costs	+	-	M

5.5 The Additional inputs

During the collection of empirical data to chapter 4. *Current situation*, additional factors have been identified and stressed as of high importance to the Agency, where relevant theories have not been found. These factors are; variation in type of asylum seekers and where the asylum seeker crossing the border. The effect of these are analysed below.

Variation in type of seeker and volume

The asylum seekers are divided into different categories (i.e. PUT presumption, OH/OT, Dublin regulation, ordinary cases and BUUV) and the volume per category is fluctuating over time (Johansson, 2016-04-04). It is mentioned by Bondesson and Hanson (2015) that the asylum seekers have different flows in the application process depending on how they are categorized and that all application units do not manage all categories. It has also been proven that the Agency is having a fluctuating inflow of asylum seekers, which is influencing the Agency's operations. Johnston and Clark (2008) argue that it is difficult to plan the capacity to avoid unacceptably long queuing times when there is a great variability in the arrival time. The larger variation, the greater is the need to provide flexible capacity (Gerber et al., 2014). It has also been stressed by Pedersen et al. (2012) that a centralised structure is more suitable in order to balance peaks. Therefore, a centralised structure is preferred.

Crossing the Swedish border

It has appeared that the asylum seekers are crossing the Swedish border in different ways and from different locations (Johansson, 2016-04-04). It is considered that having a decentralised structure facilitates the asylum seeker's access to an application unit, due to shorter distance between the Swedish border and the application unit, which Pedersen et al. (2012) agreed upon by pointing out that the delivery time decrease when having a decentralised structure. A shorter distance also reduces the time it takes for the asylum seeker to become legal, since the seeker can quick access a unit to register their application. A decentralised structure is therefore preferred.

Concluding analysis of additional factors inputs

The analysis of the additional factors is presented in table 17. The variation in types of seeker and volume prefers a centralised structure, meanwhile the input of crossing the Swedish borders prefers a decentralised structure. The concluding analysis is therefore that it exists a trade-off between the different factors and both a centralised and decentralised structure can be used for this input.

Table 17. Analysis of the additional factors.

STRUCTURE		C	D	The Agency
Additional factors	Variation in type of seeker and volume	+	-	H
	Crossing the Swedish border	-	+	H

5.6 Summary of analysis

The summary of the analysis is shown in table 18. The customer service input prefers a centralised structure, meanwhile the strategy input prefers both structures. The service capacity is marked with centralisation and the costs input corresponds to both centralisation and decentralisation. Lastly, the additional input prefers both a centralised and a decentralised structure.

Table 18. Concluding table of the analysis.

Inputs	Preferred structure
Customer Service	Centralisation
Strategy	Centralisation/Decentralisation
Service Capacity	Centralisation
Costs	Centralisation/Decentralisation

Additional inputs	Centralisation/Decentralisation
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By studying the table above, it is clear that the majority of inputs prefer a centralised structure. In other words, this means that one or a small number of application units should be located in Sweden. This result will further be discussed in chapter 6. *Discussion.*

6. Discussion

This chapter is divided into two discussion parts; a discussion of the methodology and a discussion of the result. The methodology discussion presents issues and thoughts regarding chosen methodology approach, techniques of collecting data and trustworthiness. The previous chapter 5. Analysis, presents which structure, centralised or decentralised, that is most suitable for the Agency, in accordance to stated objectives and constraints. The result shows that the Agency should have a centralised structure. This will be discussed in the second part, the result discussion.

6.1 Methodology discussion

The chosen methodology in this thesis will be discussed in order to present the effects of the methodology choice and the impact on trustworthiness. The aspects that will be discussed are the limited extent of literature within this subject, the sampling of interviewees, the selected methods of collecting empirical data, and the generalizability of this thesis.

The literature concerning location structure within the service industry is limited and has been an issue when searching for interesting theories. The researchers did therefore present findings based on the manufacturing industry, which they have adopted to the service industry. It has therefore been a challenge to understand which theories that can be adopted and to adopt them in a correct way. This has been done after analysing how other authors within the same area have performed their studies. The issue may still occur, but since all information is explained in the thesis, the transparency of the conclusions is still high.

The sampling of interviewees was done through Dahlin, called convenience sampling, and was chosen due to Dahlin's wide network, the time limit of this thesis and Dahlin's authority, which is further explained in chapter 2.3.1 *Interviews*. The researchers are satisfied with the results of the interviews and the interviewees they met, since they were accommodating and providing relevant information. Dahlin has also been helpful and willing to let the researchers get in contact with different employees within the Agency. Since, it is a qualitative research and due to the time limit of this thesis, it was for some parts of the thesis only possible to interview one employee within a certain area, which may decrease the trustworthiness of this thesis. The researchers therefore enhanced the credibility by organising a workshop in order to verify and validate the given information. The sampling technique was therefore, according to the researchers, successful.

When collecting empirical data, different ways have been chosen to improve trustworthiness. One way was to collect data from the Agency's internal data system. It was collected through Johansson, who extracted the requested data from their system and forwarded it to the researchers. A potential error is the fact that it could be a misunderstanding between Johansson and the researchers on what the researchers actually wanted. Also, since the researchers could not see the data system and its search functions, it is therefore possible that some relevant data were missed. Since the data has been verified through the workshop and is corresponding to the numbers in the Agency's annual report of 2015, it is viewed as trustful.

The generalizability is high for the analysis model and can be used in other industries or by other organisations, see chapter 2.5 *Generalizability and contribution*. Meanwhile, the generalizability of the specific analysis model for the Agency is low. What can be further discussed is the generalizability of the result within the rest of the Agency's organisation. For example, can the result also be applied in the examination process or for other applicants beside the asylum seekers. The researchers believe that if some objectives or constraints are the same for the examination process, the analysis model can be partly used. But, the importance of each input must be re-evaluated based on the situation at the examination process. The same logic can be used for other applicants. The generalizability of the results is therefore higher within the Agency, than for external organisations.

This thesis gives an overall perspective and discusses the asylum seekers' and other stakeholders', which the researchers refer to the society's, perspectives. For instance, the customer service input is mostly discussed based on the asylum seeker's perspective, meanwhile the additional factor input reflects both

the asylum seekers' and the society's perspectives. The different perspectives have had an impact on the result, since a decentralised structure would have been more preferable due to the distribution of seekers and the ease of integrating them into the society. Meanwhile, only taking the asylum seeker's perspective into consideration would have preferred a centralised structure, due to the improved efficiency and ability to perform all needed activities in one location. The researchers argue that the Agency must take both perspectives into account, which have been done through the whole thesis.

The analysis model's construction is based on the objectives and constraints, which are each investigated and constitutes inputs to the model. It has appeared that the factors, within the inputs, can impact each other and trade-offs between some of them exist. For example, an improvement of the experience attribute of the customer service can increase the service responsiveness cost. The researchers argue that it is a relevant reflection worth further investigation, but it has not been incorporated in this thesis due to the complexity it would bring to the analysis and due to the short time horizon of this thesis. The analysis model is therefore based on single correlation, which might not reflect the total complexity of the decision.

6.2 Result discussion

This thesis has focused on the application process and to provide the Agency with an insight in how their objectives and constraints affects the decision of having a centralised or decentralised application unit structure. It has not been aimed to provide the Agency with a complete decision whether to use a centralised or decentralised application unit structure and in order to take a final decision, a deeper analysis must be performed. It is also considered important to take the whole asylum flow into account since, a sub-optimisation of only one part of the flow is not considered sustainable and will probably hinder an efficient flow through the whole process. The result of this thesis and the analysis model are still useful and forms a good basis for the direction of the application unit structure decision and for further research at the Agency.

The analysis model is based on the Agency's objectives and constraints, which have been defined during the beginning of this thesis. The objectives were initially unclear due to the Agency's various goals with their operations, but were narrowed down and clarified after investigating the situation and discussing it with Dahlin. The constraints were easier to define, due to the environment the Agency is operating within. The Agency is dependent of political decisions regarding guidelines and budget, and cannot affect the fluctuating inflow of asylum seekers since it depends on external factors such as wars and environmental disasters. It is important to keep in mind that the objectives and constraints can change if the circumstances change, which will affect the analysis model and thus the result.

A direction of which structure to use has been identified by weighting important factors and its correlation with centralisation and decentralisation, which forms the result. The result of the analysis shows that the Agency should have a centralised structure, which to its extremity means only one application unit in Sweden. It would in the Agency's case imply a decreased number of application units since they currently have more than one unit. But, it has not been the focus of this thesis to analyse if the current structure of the application units is centralised or decentralised. Instead, the thesis has provided the Agency with a direction of the strategic decision of the structure. The conclusion to have a centralised structure has been drawn since the majority of inputs prefer a centralised structure. An important aspect is that the inputs are assessed as equally important related to each other. For example, the customer service input has been estimated as having the same importance as the strategy input, see table 18 in chapter 5.6 *Summary of analysis*, independent of each importance of the underlying factors. The concluding thoughts by the researchers are that this thesis provides an arbitrary weighting of importance of the empirical findings, with the purpose to give the Agency an indication of which direction that is mostly in accordance to their objectives and constraints. The objectives and constraints have been developed in conjunction with the Agency and are considered durable in different situations for the Agency. The risk that these factors in the future are changing is thereby minimised and a sustainable proposal, in accordance to the Agency's vision, has been developed.

During the process, some areas have been identified as interesting to further discuss since they all shows the difficulty of studying only one part of a large flow. The first area to discuss is the Agency's view on

customer service and its connection to the location of the application units. Saurén mentions that customer service is important for the Agency, where focus is on the experience during the process (i.e. experience attributes). The search attributes are also discussed with the conclusion that it is of low importance since the asylum seeker does not have a choice to go somewhere else. However, it is important to highlight that the asylum seeker's service experience is affected before entering into the process and location structure of the application units is thus of importance, which can be connected with the ease of getting access to an application unit and where it is located. The location of the application unit affects costs and time the seeker has to spend to travel between the Swedish border and an application unit. From the perspective of search attributes, a decentralised structure is preferred, which contradicts the customer service's concluding input. This is something that the researchers think the Agency should take into consideration in order to improve their customer service and when making the decision of which structure to use.

Another aspect of customer service is related to the categories of asylum seekers that the application units receive. One important benefit with a centralised structure is that the application unit can handle all activities for all categories of asylum seekers and thus, no transfer from one unit to another is necessary. On the other hand, the different application units are currently collaborating with the municipalities, especially for the BUV cases. A closer distance is thereby preferred and thus a decentralised structure. A trade-off is in this case created and the researchers want to highlight that both aspects must be taken into account when deciding to have a centralised or decentralised structure.

A second area to discuss is regarding the additional factors. The first additional factor is dealing with variations in type of asylum seeker and volume, which according to the result prefers a centralised structure. On the other hand, decentralisation can lead to a more equal distribution of asylum seeker over the country and thereby a smaller amount of asylum seekers to manage at once. A decentralised structure might improve control and improve the asylum seeker's integration into the Swedish society. Another benefit with this structure for the society is, the labour market. If the seekers are put into one place, it will be hard for them to find jobs since the labour market are distributed across Sweden. Also here a trade-off is created, which the Agency needs to consider.

The second additional factor is crossing the Swedish border, which is analysed as more preferred in a decentralised structure. Though, it can also be argued that more than 60 percentages of the asylum seekers entered Sweden through Malmö or Gothenburg, which indicates that having a centralised structure within this region could be more beneficial than multiple units in Sweden. The advantages of having one centralised application unit in this region is the opportunity to reach economies of scale in costs and resource utilization, as well as being able to quickly legalise over 60 percentages of the asylum seeker's stay in Sweden. This information can also be of interest for further investigating regarding where to physically locate the application unit/units, since this thesis does not intend to discuss this further.

A third area to discuss is the service capacity, which includes different ways of improving flexibility. Each factor prefers a centralised structure and it is in a centralised structure easier to share information and to have control. It has been proven that the Agency is using standardised documents of procedures but they do not have any routines of doing follow ups and improving the documents, which is needed in order to evaluate how it works and if the documents need to be changed. If the employees that work with the same tasks are working close to each other, it will improve the work with developing standards for their tasks. The Agency needs a systematic working procedure with standards, which will be facilitated with a centralised structure due to the ability to collaborate between employees that are performing the same tasks. Noted is that a routine is only standardised when the employees are performing the task in the same way.

The fourth, and last, discussion area is regarding the costs input. The cost of inventory has not been included in the analysis model since it is mostly correlated to a manufacturing industry and some authors stress that this cost does not exist for a service industry. Despite this, the researchers believe that it can be worth to discuss what inventory costs could be in the Agency's case. Inventory costs are related to buffer and work in progress, which in this case can be associated with accommodation and daily allowance costs. It is the reception process that accounts for these costs, even if the application process

affects it. For instance, if a queue is built up, it will postpone the registration of the applicant and the Agency must thereby provide accommodation and daily allowance for a longer period. To only care about the application unit costs, will burden the society since it can lead to additional costs for other processes. With this in mind, the Agency needs to further investigate the cost impact of the structure decision of the application units, on other processes, in order to still keep the society's perspective.

It is also interesting to discuss how the design of the analysis model can be used within other areas of the Agency. For example, when the Agency wants to look into other strategic areas to develop and make decisions about, the work can be performed based on a similar model and working process as this thesis and analysis model. The Agency can, in the same way as the researchers have done in this thesis, form models with important factors on one axis and compare with different alternatives of the decision on the other axis. The analysis and process of this thesis, can thereby give the Agency an idea of how they can work with their other strategic decisions.

The discussions of the methodology and the result highlight a fragmented view of the analysis model. The model can, in one way, be used as a guideline when making a decision towards which structure of the application units to use, but can, in another way, only be used completely if it is further investigated. When it comes to the weighting of the factor's importance and the choice of preferred structure, a further analysis must be made in order to reach a definite decision and to make the correct trade-offs between the factors. This is due to the complexity of the factors, and its multiple correlation.

7. Conclusions

This chapter summarizes the answers to the research questions and the aim of the thesis. It also includes a presentation of topics interesting for further investigation. The chapter ends with a presentation of recommendations where special issues are highlighted to the Agency in order to give a basis to the Agency in how to proceed with their work based on this thesis.

The aim of this thesis has been to investigate if the Agency should have a centralised or decentralised application unit structure to minimise costs, have flexibility in capacity and high customer service under fluctuating inflow of asylum seekers and defined strategies. In order to achieve the aim, it has been broken down into further analysis areas, where two research questions were presented. The first research question was:

1. How is the Agency's objectives and constraints interrelated to a centralised and decentralised structure?

This question was answered by developing an analysis model consisting of theories based on the Agency's constraints and objectives, and are related to centralisation and/or decentralisation in the following way. The customer service is divided into three factors, i.e. search attributes, experience attributes and credence attributes, where the first one correlated to a decentralised structure, the second one to both structures and the last one to a centralised structure.

The strategy part is divided into two part, public organisation and business strategy. The public organisation consists of two factors, i.e. responsiveness and bureaucracy/managerial autonomy, where the first one interrelates to decentralisation and the second part to each structure. The business strategy is composed of three factors, i.e. implementing, supporting and driving strategy, and all three prefers a centralised structure.

The service capacity part consists of six factors, i.e. overtime and idle time, change size of workforce, flexible employment contracts, subcontracting, standardization and multifunctional teams), that all corresponds to a centralised structure, except for the last two which corresponds to both structures.

The costs part is comprised of four factors, i.e. facility costs, service responsiveness costs, transportation costs and system costs, where facility and system costs related to centralisation, service responsiveness costs to decentralisation and transportation costs to both structures. All the interrelations can be viewed in table 8 the analysis model.

The analysis model is considered as a useful guideline when making a decision towards which structure of the application units to use and it has been concluded that the generalizability is high for the analysis model and can be used in other industries or by other organisations, meanwhile generalizability of the specific analysis model for the Agency is low.

After responding on research question one, the second are answered. Research question two is:

2. Which location structure is most suitable for the application units?

This question was answered based on the analysis model and the empirical findings from the current situation, and shows that a centralised structure are more suitable in order to meet the Agency's objectives and constraints. The result implies that the Agency should decrease the number of application units in order to be more centralised. Although the summary of the analysis points at this, the researchers argue in the discussion that further investigation is needed in order to reach a final decision of the application unit structure. The analysis model and the analysis can rather be used as a direction for the decision, instead of the definite decision. But the answer of this research question highlights some areas for further investigations, which are presented in chapter 7.1 *Implications for further research.*

7.1 Implications for further research

Four areas worth further investigation has been identified. The first area is the construction of the analysis model, where the factors impact on each other can be analysed in more detail before making a

final decision of the structure. The factors have multiple correlations, but the researchers have due to complexity and time limitations not been able to map their interrelations.

The second area to investigate is the structure of the application units' impact on the whole asylum flow. For instance, how can the structure of the application units affect other costs and processes within the Agency and the asylum flow. This subject deserves further research in order to avoid sub-optimization and to gain benefits for the society as well as the asylum seeker.

The weighting of importance of each factor in the analysis model is the third area to investigate. Mapping what is the most important and understanding why it is essential for the Agency, needs to be done in order to create the best solution for the Agency's structure of the application units.

The fourth area of investigation includes the generalizability. The researchers believe that the analysis model and analysis can be used in other processes at the Agency, but it must be verified and further analysis must be made discussing how the adoption can be applied.

7.2 Recommendations

In order to take full advantages from this thesis, the Agency needs to use the results and therefore is this subchapter of recommendations outlined. Figure 15 visualises one proposal, with different steps, of how the Agency can proceed after receiving this thesis. It also involves questions in each step that the Agency should look into to be able to reach a final decision of the application units' structure. The figure does also provide a way to concretise the result of the thesis and to give a tool that the Agency can use.

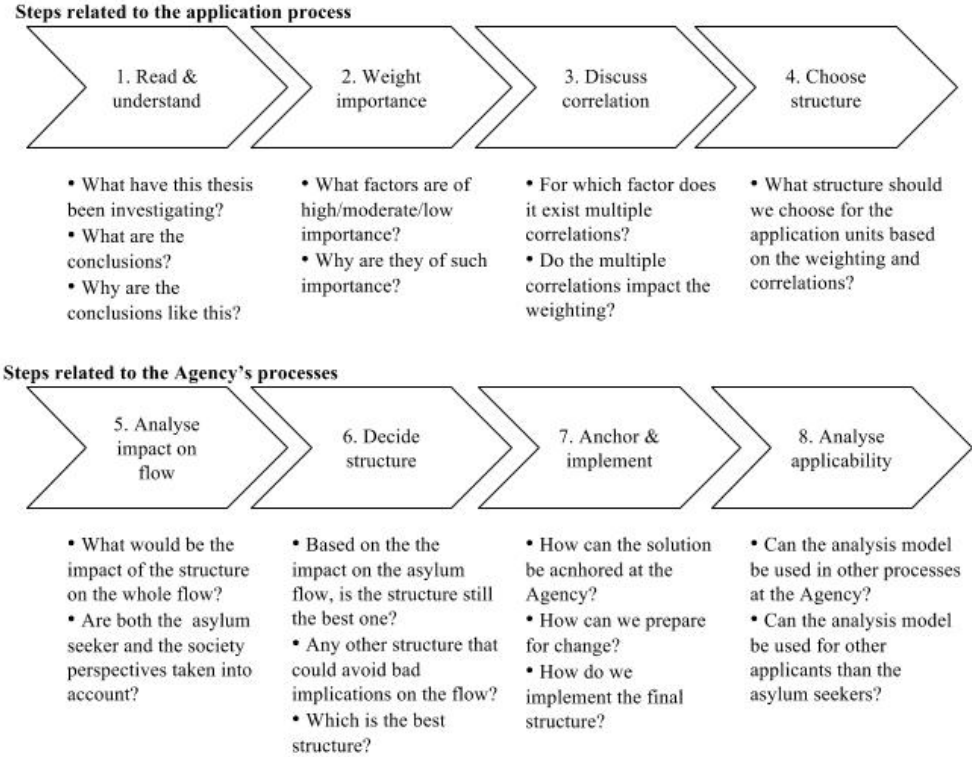


Figure 15. Visualizing how the Agency can proceed with the information from this thesis.

As can be studied in figure 15, the first step is to read the thesis and to understand the limitations and the assumptions. It is important for the Agency to understand why the result ended up like it did, and which factors that could have changed the result. This will form a wide understanding of relevant theories and the Agency's situation.

The second step involves an initial analysis if the weighting of the factors should be deeper investigated or if they correspond to the current situation. If it needs a further investigation, a group of employees or a group of thesis workers can be given the assignment.

The third step is about the correlations between the factors. The Agency has to understand when there are multiple correlations instead of single and what the impact of these correlations are. Thereafter, they must decide if they want to dig further into this or not. If they want to investigate it further, it can be performed by a group of employees or by thesis workers. Otherwise, the Agency can continue with the result the thesis has provided.

The fourth step is to choose a structure of the application units based on the result, the reweighting and/or correlations. Steps one to four are all related to the application process.

Steps five to eight are not directly related to the application process, and are instead focusing on the whole asylum flow and other processes. The fifth step includes an analysis of the impacts that the chosen structure has on the whole asylum flow. This can be analysed independent of which structure the Agency chooses for their application units. A suggestion by the researchers is that it could be a project for a future summer task or master thesis. It is important that the impact on other processes within the asylum flow are analysed as well as making sure that both the asylum seeker's perspective and the society's perspective are accounted.

The sixth step is to decide the structure of the application units with consideration to the implications on the rest of the flow. The decision should be taken on a high level within the organisation where all facts regarding the decision and impact are presented.

The seventh step involves the anchoring and implementation of the new application units' structure. Generally, people are uncomfortable with changes and therefore are it important for the Agency to develop a process to anchor the new structure within the organisation. It is also important to design an implementation plan to follow. Another aspect that the Agency should consider in their change management is to incorporate other factors that need to change, and thereby can be modified at the same time as the structural change. For instance, can such a factor be the work with routines, to improve work with standardisation. A group of employees can be responsible for the process of change, which has knowledge of the employees' feelings and competences, as well as the different activities of the application process.

The eight steps are to analyse the applicability of the decided structure and model, and to see if it can be used in other processes at the Agency or for other applicants than the asylum seekers. This will take time and the employee or group responsible for this step will need a wide knowledge of the Agency's whole organisation and processes. It is therefore not suitable for a group of thesis workers to perform this step. If the Agency performs the eight steps, the researchers believe that the Agency has a good basis for taken the correct decision whether to have a centralised or decentralised structure.

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Observation at the application unit in Källered, Gothenburg, at the 6th of April 2016, guided by Siri Sandin.

Johansson, Fredrik. Team Leader, The Agency. Interviewed by the researchers the 23th of March 2016.

Johansson, Fredrik. Team Leader, The Agency. Interviewed by the researchers the 4th of April 2016.

Lindahl, Helene. Contract and Negotiation Specialist, The Agency. Interviewed by the researchers the 5th of April 2016.

Ojamo, Malin. Expert, The Agency. Interviewed by the researchers the 8th of April 2016.

Ojamo, Malin. Expert, The Agency. Interviewed by the researchers the 17th of April 2016.

Sandin, Siri. Administrator, The Agency. Interviewed by the researchers the 6th of April 2016.

Sandin, Siri. Administrator, The Agency. Interviewed by the researchers the 7th of April 2016.

Sandin, Siri. Administrator, The Agency. Interviewed by the researchers the 18th of April 2016.

Saurén, Anna. Service Process Owner, The Agency. Interviewed by the researchers the 4th of April 2016.

Saurén, Anna. Service Process Owner, The Agency. Interviewed by the researchers the 5th of April 2016.

Saurén, Anna. Service Process Owner, The Agency. Interviewed by the researchers the 18th of April 2016.

Workshop at the Agency's office in Gårda, Gothenburg, at the 29th of April 2016 participants were Johan Bjurbäck, Daniel Dahlin, Fredrik Johansson and Siri Sandin.