

# Benefits and Risks of Agile Methods in Public Administration

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# Benefits and Risks of Agile Methods in Public Administration

#### **Short Summary**

With our research contribution, we aimed to identify the benefits and risks of agile methods in public administration and to provide recommendations for the implementation in the German and Estonian public administration. To this end, we conducted a total of seven interviews with German and Estonian experts from the field of public administration. We were able to identify benefits such as increased user centricity, increased effectiveness and the positive breakup of silo thinking. On the other hand, it became clear that agile methods must not be understood as a "magic formula" for every administration but can also cause organizational difficulties. It is important to create an administrative culture that is receptive to the agile way of thinking and working. Particularly in Germany, care should be taken to ensure that the conditions for such a change are in place. This has several implications: A strong error culture seems to be especially indispensable for the organization, since working agile is a process that stimulates to constantly question oneself and the organization.

#### From the Waterfall Principle to Agile Working Methods

The buzzword *agility is* currently on everyone's lips in both Estonia and Germany. Especially in Estonia, which is considered a pioneer in the international comparison of digital transformation of the public service, practical examples with agile methods can already be found (Soe & Drechsler, 2018). In Germany, on the other hand, agile methods are facing a strongly contrasting approach from the field of software development: The so-called "waterfall principle". The waterfall principle describes completing one project phase after the other (Sumrell, 2007). This approach can often lead to inefficiency, as it is difficult to respond to external and internal change and evaluation is only possible at the end of the entire process. (Mergel, 2018).

Agile methods, on the other hand, take a contrary approach: Dingsøyr, Nerur, Balijepally, and Moe (2012) define agility as the ability to adapt and respond quickly and flexibly to sudden change. Continuous evaluation is necessary to optimize all work processes and to involve many stakeholders. Also, agile teams are usually self-organizing and do not define strict roles and responsibilities.

#### **Methodology**

Such agile methods are also appearing more and more frequently in the German public administration. Therefore, we conducted six individual semi-structured interviews, as well as a conference interview with experts from the German and Estonian administration and asked them the following: What are benefits and risks of implementing agile methods in public administration in Germany and Estonia and how can this implementation be improved? In doing so, we were particularly interested in identifying possible differences but also similarities between the responses of the representatives of the two countries. The German interviewees included: a member of the municipal administration in Karlsruhe, a professor at the Stuttgart Media University, an employee of the Federal Office for Migration and Refugees and members of the network "Forum Agile Verwaltung". On the Estonian side, we interviewed members of the government's risk management and the Ministry of Education.

#### **Results**

The statements of the interview partners were analyzed and categorized within the framework of a SWOT analysis. To simplify the presentation of the results, we have decided to summarize the four subcategories of the SWOT analysis (strengths, weaknesses, opportunities, and risks) into benefits and risks.

The main arguments mentioned by the interviewees are listed below:

#### **Benefits**

- 1. The use of agile methods and approaches leads to increased internal and external user centricity and constant dialogue with other project participants.
- 2. A special characteristic of working agile is the strong error culture: By constantly evaluating the running processes, errors can be detected and resolved more quickly.
- Agile methods are able to counteract silo thinking in organizations and thus enable better management of external and internal change. This improved management of organizations leads to an increase in service quality within the various levels of public administration.
- 4. Agile thinking is in line with creative and innovative thinking, which can increase the effectiveness of public administration.

#### Risks

Especially in the interviews with the German experts, it became apparent that the conditions necessary for the implementation of agile methods have not yet been met. It has often been mentioned that the classical bureaucratic principles contradict an agile way of working, since, for example, the principles of writing and documentality are difficult to combine with an agile way of working.

- 2. From the Estonian interviews, on the other hand, one could deduct that agile methods do not necessarily have to be cost-saving due to the error culture mentioned and that one must reckon with an increased budget. This point should also be important for the German administration with regard to the progressive implementation of such methods.
- 3. It became clear that the introduction of agile methods cannot automatically solve all existing problems but can also create difficulties within departments since self-organizing teams often run without strict roles and responsibilities. This can result in confusion about ultimate responsibility and decision-making power and requires separate training and leadership.

#### **Practical Implications**

The following practical implications for public administration can be derived from the knowledge gained:

- Since agile work depends on mistakes and permanent evaluation, an error culture by superiors is central to improving administrative services.
- Accept the dialogue with the stakeholders and shape it positively.
- Agile action does not solve fundamental organizational problems and requires a holistic perspective to solve these problems.
- Particularly in the German context, the specific working methods of self-organizing teams contradict the classic structure of authorities. This requires new training and leadership of employees in the German context.
- The implementation of agile working methods only succeeds if there is a clear implementation strategy and a common lived definition of agility. This is made more difficult by the fact that complexity and decision-making within agile teams is increasing as a result of increased interaction with stakeholders.

#### **Final Remarks**

In summary, it can be said that, despite the risks mentioned above, the implementation of agile methods brings advantages for the most part. The practical implications described should, however, be taken into account especially in Germany in order to avoid additional tensions within and outside the public administration. In addition, the term agility is versatile with regard to its definition and therefore requires further research and practical examples for both practice and science.

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