



The influence of external consulting on digitization on the public administration

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The influence of external consulting on the public administration

Abstract

The subject of the master's thesis presented here is the investigation of the cooperation between public administration and external service providers. The main topic of the thesis was the effects the use of external services has on the public administration, in particular on the so-called public values. Public values are the values, principles and beliefs that underlie the activities of a public administration. The results of the research show that the use of external services leads to a superficial, short term change within the public administration by changing processes and adopting new methods. However, profound effects on public administration cannot be identified. Nevertheless, the different value concepts of public administration and external service providers often lead to problems. In order to contribute to improving cooperation, this article therefore contains several recommendations for administrative practice.

Context

In order to advance the digitization of German public administration, the "Onlinezugangsgesetz" (OZG) was launched in 2017. As part of the implementation of the OZG, a public administration often works with external service providers (such as consulting or IT companies) (Punz, 2019). They support the public administration by, for example, developing online processes for the corresponding agency. Such online processes enable citizens to submit applications digitally.

However, the use of external services by the public administration often leads to problems, which is, to some extent due to the fact, that two different sets of values collide here. The work of the administration is based on values as legality and transparency of administrative actions. These values differ significantly from those of external service providers, who operate primarily on business principles (Saint-Martin, 1998). However, such principles cannot be transferred to public administration without further ado, since, for example, the business-motivated demand for a "lean state" cannot necessarily be reconciled due to legal requirements a public administration has to fulfill (Lühr, 2019).

For this reason, the cooperation between public administration and external service providers, which is often discussed controversially, is subject to a particular tension. The question is, if the use of external services might have a negative impact on the public administration by influencing public values such as legality or transparency. This could be the case, for example, if the goal of increasing efficiency brought in by outsiders leads to incomprehensible decisions, that results in a lack of transparency.

When the public administration makes use of consulting firms it must also be taken into account that these can only be financed with taxpayers' money (Armbrüster, Banzhaf, & Dingemann, 2010). Therefore, such cooperations require continuous democratic legitimization. A closer examination of this cooperation to find out what influence external service providers have on the public administration should therefore be of interest to society as a whole.

Methodology

As part of a qualitative study, 14 interviews were conducted with experts from the public administration, consulting firms and IT service providers. The interviewees are involved in digitization projects in public administration at federal, state or local level in Germany. The data analysis was based on the principles of grounded theory (Strauss & Corbin, 1998). The collected data were analyzed using a two-step coding process (Saldaña, 2016).

Results

Competition between different values, but little impact on public values

The results of the study show that the values of the actors involved have a considerable influence on the cooperation between a public administration and external service providers. For example, many of the problems that arise in the context of such collaborations can be traced back to different value concepts. The introduction of new values by external service providers, such as the value of agility, is hampered by the robust value foundation of public administrations. Therefore, it cannot be seen that public values are affected by the use of external services. Rather, the strong entrenchment of such values as legality, transparency and accountability, leads to greater risk aversion and resistance to external influences. Therefore, although public values are not permanently affected the use of external consulting services, they are at least in competition with the values brought in through external service providers.

Superficial instead of profound change

The more firmly the value foundation is anchored within public administration, the less likely it is that the use of external services will lead to a profound structural change within the public administration. Although processes are changed and, in some cases, new methods are adopted, a change toward greater agility and the adoption of values from the private sector cannot be identified. On the one hand, external service providers bring new perspectives to the public administration. On the other hand, processes within the public administration and collaboration processes with external actors (such as citizens or commercial enterprises) are changed or modernized. Therefore, new methods, such as agile methods that serve user orientation, find their way into the public administration. However, sustainable change, as for example, the permanent adoption of agile methods, requires a changed mindset within the public administration and accordingly requires a certain degree of intrinsic motivation. Therefore, such a change cannot be imposed from the outside.

Differing expectations

In addition, the results of the study showed that the expectations of the public administration before the cooperation differ from the expectations of the external service providers. When the public administration uses external services, their expectations go beyond simply receiving a service. For example, the public administration expects from external service providers to have social competencies, in particular by showing empathy for the needs of the administrative staff and possessing communication skills. External service providers, on the other hand, engage with the public administration primarily with the expectation of providing a service in which they act as advisors and supporters.

Practical implications

A number of implications for practice were derived from the results of the study. These can contribute to improving the cooperation between public administration and external service providers in the future, so that the demands of both sides can be satisfied.

1. Strengthen communication

In order to create a sound base for cooperation between public administration and external service providers, the ideas and expectations of the stakeholders involved should be discussed in advance. It is also important to define the conditions for the cooperation and to agree on how to deal with failure to meet the schedule or budget. During the course of a project, regular meetings should be held between the stakeholders to identify problems or obstacles at an early stage.

2. Reduce reservations and create mutual understanding

In order to overcome reservations on the part of both the public administration and the external service providers, it is advisable to schedule sufficient time at the beginning of a cooperation so that everyone involved can get to know each other. Depending on the time and budget available, team-building measures or mutual site visits may be appropriate. Ideally, this will create mutual understanding and awareness of the work of "the other side".

3. Expand competencies

In order to ensure the success of larger projects, especially with regard to the digitization of the public administration, public administration employees should have knowledge in project management as well as agile methods. Cooperation with external service providers can and should also be learned. One option could be that municipalities and public authorities that have already cooperated successfully with external service providers make their knowledge, especially "best practices" available to others by networking and exchanging information with each other.

4. Resolve resistance strategically

Those responsible for cooperation with external service providers should determine from the outset how to deal with people who resist cooperation with external service providers. Either projects are carried out with people from the public administration who are motivated intrinsically and open to change. Another option could be the integration of those employees into the project team who resist a project, consciously or unconsciously, through their attitude. In addition, managers should identify the causes that lead to a risk-averse attitude. Leaders should be sympathetic to employees' reactions and try to alleviate fears and uncertainties. If all employees feel informed about changes and are convinced of the benefits of using external services, this reduces the likelihood of a risk-averse attitude.

In addition, the intrinsic motivation of employees should be strengthened by making the benefits of a cooperation with external service providers clear to them. Ultimately, as citizens themselves, they will benefit from a more efficient and modern public administration.

Key points

It is not yet possible to assess conclusively whether the increased use of external service providers will have a long-term impact on the values inherent in the public administration. It

remains to be seen whether public values will lose significance and be supplemented or even replaced by private-sector values in the long term. In principle, it is possible that public values will remain stable because they are firmly anchored in the minds of public administration employees. The present work has shown that public values are not permanently affected by the use of external services, but are at least in competition with other values brought in from outside. Further research on whether public values will continue to prove their worth as a basis for public administration in the future is therefore indispensable.

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