Exploring the Role of Inertia in the Digital Transformation of Public Administration

Liz Marla Wehmeier
University of Potsdam
liz.wehmeier@uni-potsdam.de

Keywords: digital transformation; inertia; institutional change; tax administration

It has long been proposed that inertia plays a crucial role for the success or failure of institutional change processes (Hannan & Freeman, 1984). As the digital transformation has gained traction, the concept has been picked up and further developed mainly in IS and management research to better understand the dynamics and challenges of the change process in the private sector (Haskamp et al., 2021; Schmid, 2019). Considering the slow digitalization progress in German public administration and exceptions such as the digitally transformed tax administration, it seems fruitful to adapt the framework to the context of the digital transformation of the public sector to explore the related drivers and barriers.

The aim of the research is thus twofold: first, to add to the theoretical understanding of inertia and thereby contribute to further conceptualizing the phenomenon of digital transformation in Public Administration. And second, to deepen our empirical knowledge on the driving and hindering factors of digital transformation processes, ultimately adding to knowledge for practitioners on how to overcome inertia.

The research questions thus read:

- 1) How is inertia manifested in the digitalization process of public administrations?
- 2) What are moderating factors to inertia in the context of a public administration's digital transformation?

To answer these questions, it is drawn on a socio-technical conceptualizations of inertia which allows us to explore the assumption that "inertia exists in the structures, social and material, as well as in the interrelationships of those realms" (Schmid et al., 2017). On this basis, a number of dimensions of inertia relating to human actors (social realm), the digital tools (material realm) as well as their interactions in the sense of organizational routines (socio-technical realm) are operationalized and examined (Schmid et al., 2017).

The research builds on a case study of the German tax administration's digital transformation in the context of the assessment of electronic tax returns (*ELSTER*) which represents a particularly advanced public service in terms of its digitalization progress. Based on an explorative mixed-method approach, semi-structured interviews with 22 public servants at different hierarchical levels as well as quantitative data from a nationwide standardized employee survey are analysed.

Literature:

- Hannan, M. T., & Freeman, J. (1984). Structural Inertia and Organizational Change. *American Sociological Review*, 49(2), 149. https://doi.org/10.2307/2095567
- Haskamp, T., Dremel, C., Marx, C., & Uebernickel, F. (2021). *Understanding Inertia in Digital Transformation: A Literature Review and Multilevel Research Framework*. Forty-Second International Conference on Information Systems, Austin.
- Schmid, A. M. (2019). Beyond resistance: Toward a multilevel perspective on socio-technical inertia in digital transformation. Twenty-Seventh European Conference on Information Systems (ECIS2019), Stockholm-Uppsala, Sweden.
- Schmid, A. M., Recker, J., & vom Brocke, J. (2017). *The Socio-Technical Dimension of Inertia in Digital Transformations*. Hawaii International Conference on System Sciences. https://doi.org/10.24251/HICSS.2017.583