

Extended Abstract

Old Rules, New Ideas: Navigating Digital Innovation in Public Administration Through Informality

Background and Significance

Public-sector innovation has emerged as a critical imperative for governments worldwide as they confront escalating citizen expectations, resource constraints, and increasingly complex societal challenges. However, the relationship between traditional administrative cultures and innovation presents a fundamental paradox: the very bureaucratic structures designed to ensure stability, accountability, and procedural fairness simultaneously create organizational inertia that constrains the flexibility, risk-taking, and adaptive capacity essential for innovation. This tension represents not merely a technical challenge but a deeper cultural challenge concerning how public organizations can preserve necessary bureaucratic functions while fostering conditions that support transformative change.

This paradox manifests most acutely in administrative cultures characterized by rigid hierarchy, extensive formal procedures, and pronounced risk aversion—features that directly conflict with the collaborative, experimental, and adaptive approaches that innovation requires. Understanding barriers to public-sector innovation therefore demands examination of both structural dimensions (organizational architecture, resource allocation, formal rules) and cultural dimensions (shared assumptions, values, norms, and behavioral patterns) that shape how public servants approach decision-making, experimentation, and failure.

This study addresses these challenges through an in-depth examination of digital innovation in Israeli local governments, exploring how administrative culture influences innovation processes and outcomes. Based on semi-structured interviews with 36 public-sector professionals and managers across municipal and national organizations, the research identifies specific mechanisms through which cultural factors either enable or constrain innovative practices. The study makes important contributions by empirically linking administrative culture studies with public-sector innovation research, providing rich insights into practitioners' lived experiences, and examining Israel as a unique and theoretically valuable case study.

The Israeli Context

Israel presents a particularly compelling context for examining the relationship between administrative culture and innovation. Israeli public administration exhibits distinctive characteristics that challenge conventional administrative typologies. While highly centralized in terms of decision-making authority and budgetary control, Israeli bureaucracy simultaneously demonstrates marked informality, minimal deference to formal hierarchy, and extensive reliance on personal influence channels and negotiation-based decision-making.

Existing research identifies structural features including over-centralization, institutional secrecy, and a legacy of improvisation, alongside administrative practices characterized by minimal respect for formal authority, reliance on improvisation, management through confrontation, and informal relational styles. Street-level bureaucracy research demonstrates that this informality manifests in bargaining processes and discretionary rule-bending, indicating that flexibility and negotiation represent integral features of Israeli public administration. These cultural traits create conditions that potentially favor innovation by increasing organizational flexibility, though they also introduce risks including inconsistency, bias, and lack of transparency.

Conceptual Framework

The study builds upon established theoretical frameworks concerning both public-sector innovation and administrative culture. Public-sector innovation differs fundamentally from private-sector innovation in its logic, incentives, and success measures. Public organizations must balance efficiency objectives with requirements for legitimacy, transparency, procedural justice, and inclusiveness. Research identifies numerous barriers rooted in bureaucratic structures: legalism and proceduralism, siloed organizational structures, reform fatigue, and sensitivity to political risk. Conversely, innovation catalysts include professional civil service systems, leadership that grants discretion and normalizes risk-taking, co-creation mechanisms, and psychologically safe organizational climates.

Administrative culture scholarship emphasizes that patterns of shared assumptions, values, and norms fundamentally shape organizational behavior. Key dimensions include tensions between bureaucratic versus entrepreneurial legitimacy; balance between hierarchy and equality; degrees of formality versus informality; and levels of trust in people and government institutions. Cross-national research identifies distinct administrative regime types that create different conditions for innovation. Empirical evidence demonstrates that professional and impartial civil services correlate with higher innovation outputs, while cultures emphasizing control and hierarchy discourage experimentation.

Research Design

The study employed qualitative methods with semi-structured interviews to examine how public-sector employees and managers perceive relationships between administrative culture and digital innovation. The sample comprised 36 participants, including 26 from local authorities and 10 from national organizations, all selected based on their professional responsibilities for innovation initiatives. Interviews were conducted via video conferencing, recorded with consent, and lasted 45-60 minutes each. Data analysis followed systematic thematic analysis procedures, proceeding through familiarization, initial coding, theme organization, and theme definition phases. Categories and themes emerged consistently across all participants, indicating data saturation.

Key Findings

The analysis revealed four interconnected themes representing dimensions of administrative culture that shape innovation capacity:

Collaborative Innovation: Findings revealed that collaborative approaches weaken rigid hierarchical structures while maintaining bureaucratic frameworks, creating "collaborative hierarchy" models. Participants described cross-departmental committees and multi-stakeholder teams that facilitate information flow and shared responsibility without dismantling hierarchical authority. Innovation processes incorporated representatives from all relevant departments, with managers and employees from different units working in joint teams that cross rank boundaries. Collaborative innovation principles applied not only to external citizen engagement but also to internal organizational relationships, suggesting that internal collaboration represents a preliminary step toward broader innovation.

Informality as Innovation Tool: Informal networks and personal relationships served as crucial channels for information transfer, resource mobilization, and initiative promotion. Participants emphasized that knowing colleagues personally facilitated data acquisition and problem-solving, with organizational processes advancing through connections and friendships that crossed both sectoral and hierarchical boundaries. Social networks functioned strategically not only for information flow but for building internal legitimacy for innovative initiatives.

However, informality's benefits come with significant risks. Personal relationships can introduce bias, inconsistency, and lack of transparency. Participants acknowledged that negative interpersonal dynamics could block even valuable initiatives. While reliance on personal connections may facilitate innovation, it can intensify organizational tensions and undermine equality. This dual character—informality as simultaneously enabling adaptation and risking abuse—represents a central tension in Israeli administrative culture.

Trust Building Through Success: Trust emerged as fundamental yet dynamic, requiring demonstrated successes rather than promises. Participants emphasized that innovative initiatives build trust through small, visible wins that create momentum for broader change. Early successes generated domino effects, leading stakeholders to believe in processes based on demonstrated results. Trust operates at multiple levels: interpersonal trust among colleagues enabling collaboration; institutional trust in organizational capacity; and cross-organizational trust where local successes create broader legitimacy through demonstration effects. Beyond performance-based trust, value alignment emerged as important—when employees perceive innovation as serving shared interests, commitment strengthens.

Structural Barriers: Centralization and conservatism emerged as persistent structural barriers despite cultural supports. Centralized bureaucratic structures created operational inflexibility and delayed implementation, with processes taking far longer than anticipated due to bureaucratic requirements. Beyond formal structures, conservatism reflected deep organizational culture developed in stable, regulated public systems. Municipal employees demonstrated difficulty with changes, preferring familiar routines. Digital innovation faced particular resistance stemming from employment security concerns, with employees perceiving digitalization as threatening job security. These structural barriers proved not only technical but

cultural—products of centralized, stable organizational systems that generate risk-avoidance cultures and anxiety about change.

Discussion and Implications

The findings reveal a complex relationship between Israeli administrative culture and innovation that challenges simplistic characterizations of bureaucracy as inherently anti-innovative. Rather than viewing bureaucratic structures and innovation as incompatible, evidence suggests successful innovation requires strategic navigation of bureaucratic systems while leveraging cultural dynamics that support change. The Israeli case demonstrates that cultural traits conventionally viewed as problematic—informality, low deference to hierarchy, reliance on personal networks—can enhance innovation capacity when appropriately harnessed.

The concept of "collaborative hierarchy" represents a particularly significant insight. Rather than abandoning hierarchy entirely, successful innovation creates hybrid arrangements where hierarchical structures persist alongside collaborative practices. Cross-departmental teams and boundary-crossing networks operate within bureaucratic frameworks rather than replacing them. This suggests that administrative modernization need not choose between bureaucratic stability and innovative adaptation but can achieve both through careful institutional design.

For practice, findings suggest several implications. Effective innovation requires leadership that understands and strategically navigates cultural dynamics. Organizations should recognize informal networks' value while developing safeguards against bias. Trust-building through incremental successes represents a more reliable approach than ambitious promises. Collaborative approaches that cross boundaries can enhance innovation without requiring wholesale restructuring. Addressing structural barriers requires patient, culturally-informed strategies rather than rapid reforms that may trigger defensive conservatism.

Conclusion

This study demonstrates that rather than viewing bureaucratic structures as inherently incompatible with innovation, successful public-sector innovation requires strategic cultural navigation that respects bureaucratic imperatives while creating protected spaces for experimentation. The Israeli case illustrates how cultural traits like informality and negotiation-based decision-making can enhance innovation capacity when appropriately harnessed, while simultaneously requiring attention to risks of bias and inequity. The challenge facing public administrators is not choosing between bureaucratic stability and innovative adaptation but achieving both within their organizations' complex cultural realities. Administrative culture represents a field of tensions where informality, trust, legitimacy, and hierarchy simultaneously hinder and enable innovative practices in public administration.