Editorial

Adaptive governance: Towards a stable, accountable and responsive government

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ABSTRACT

Organizations are expected to adapt within a short time to deal with changes that might become disruptive if not adequately dealt with. Yet many organizations are unable to adapt effectively or quickly due to the established institutional arrangements and patterns of decision-making and governance. Adaptive governance should enhance the capacity of an organization to deal with and adapt to changes, while protecting the same organization from becoming unstable. Strategies of adaptive governance include utilizing internal and external capabilities, decentralizing decision-making power, and seeking to inform higher-level decisions from bottom-up. At the same time, adaptive strategies may challenge stability and accountability, which remain essential for governments. This means that adaptive governance implies a 'balancing act', and a reliance on ambidextrous strategies. The aim of this editorial is to introduce the concept of adaptive governance and discuss its implications for governments in the digital age.

1. Introduction

Changes in the environment, expectations from constituents, the global economy and technological developments like big data, data analytics, open linked data, semantic web influence societal values, privacy, cybersecurity require organizations to adapt. There is a nexus of developments that might disrupt our society, resulting in societal problems that governments have to address. This results in changes of the core values such as privacy and transparency (Janssen & van den Hoven, 2015). Governance is necessary in making the necessary decisions and responding to these developments. This puts high demands on governments to anticipate and develop sound policies and new services. Yet governments are often lagging behind. They must be aware of these changes and they need to adapt their policies, legislations, systems and even internal structures to deal with them.

In the current environment, technology enables ample opportunities for governments to improve and to innovate. Adapting to changes is becoming essential as some argue that governments are fundamentally changing (Janowski, 2015; Linders, 2012) and need to transform (Luna-Reyes & Gil-Garcia, 2014; Nograšek & Vintar, 2014; Weerakkody, Janssen, & Dwivedi, 2011). However, organizations react slower than citizens and businesses expect and legislations are running behind the possibilities enabled by technology. The same holds for public organizations. Public organizations are now facing new, disruptive developments, and their core tasks are at risk and subject to changes. Are newly arrived policies and legislations still valid? Do new services need to be developed? What is the role of our own organization? At the heart of these questions lies a concern whether public organizations are flexible enough to cope with these new developments.

Governments and large organizations try to manage the new developments using established mechanisms of governance, with stability and accountability as the main values. However, these mechanisms were largely not developed to adapt to changes. The use of existing mechanisms implies enhancing controls and procedures, just to get to grips with new developments and take responsibility. However, society is developing, whereas procedures are inflexible and imposing controls happen at the cost of professional knowledge or may result in damaging games being played between managers and professionals, between public and private organizations or between different functional departments of large organizations.

The ambition of innovations is often not known in advance and there is a need for trial and error strategies that do not fit well within public governance that is aimed at ensuring stability and the proper functioning of government organizations that respects our democratic values. Ambiguous purposes and objectives should be dealt with and there is uncertainty about the effectiveness of efforts and a high level of complexity is involved as development affects political, economic, social and technical aspects.

In this editorial, we explore the concept and challenges of adaptive governance. The problem of different rhythms at various horizontal layers of governance will be analyzed. This is followed by a discussion of the main characteristics of adaptive governance. Next, adaptive governance strategies will be explored and presented. We conclude that adaptive governance requires balancing adaptability and stability and requires building so-called ambidextrous organizations. Finally, further research directions are suggested.

2. A problem of rhythm: ICT and organizational speed

Organizations have different abilities to respond at different levels and a challenge, due to the time taken to respond, is the coordination of these levels paradigm. The speed in the governance of technology is often different from other types of governance, e.g. regarding budget allocation, and often results in frictions. Whereas governance at the organizational level should ensure stability and accountability, governance at the lower levels should create adaptive capacity. Fig. 1 shows schematically the differences in speed by visualizing horizontal layers of governance. Network governance needs a long time and the involvement of many independent stakeholders who have to agree with each other. This is not simple and often takes a long time. Organizational governance should facilitate strategy development and is typically viewed as not changing frequently. The strategy is translated in a yearly planning and budgeting cycle in which targets are set and budgets are allocated to programs. Within these programs, many projects take place. Often software-based solutions result from such projects. Software projects have typically shorter life-cycles. Software projects embrace more and more the agile software development, in which a heartbeat of several weeks guides the making of sprints to arrive at working software. Finally, the governance of the daily operations often requires immediate responses and governance mechanisms are aimed at facilitating this.

As software projects are complex and often hard to predict in advance, they opt for taking small steps, including evaluations of what was done and what should be done next. Agile software development enables adaptive planning, flexible response to change through incremental development, and early delivery of working software which enables continuous improvement (Sutherland, van Solingen, & Rustenburg, 2011). These kinds of projects are characterized by complexity, dynamics which are both caused by and result from uncertainties and unexpected behavior.

The complexity originates from having to take into account many interrelated aspects and not being able to view all of them. Uncertainty is caused by the inability to know all the requirements in advance and the many changes happening during the projects. Many projects fail and the high level of expectations is not achieved due to the inability to deal with the complexity and uncertainty (Anthopoulos, Reddick, Giannakidou, & Mavridis, 2016; Janssen, Voort, & Veenstra, 2014). The chance of failure is higher when political and organizational elements come to the fore (Gauld, 2007) and vertical governance does not connect the horizontal layers. Furthermore, the number and variety of stakeholders are often higher when going from the governance of daily operations to network governance. In higher levels stakeholders might come at the table that might not have foreseen in advance.

Each governance layer might be constrained by other layers. What happens when the budgets need to be re-allocated due to changes in a project? And what if there are different allocations of budget necessary to support new developments? Do they have to wait for the next budgeting round? This implies that adapting to changes would take the time of the budgeting cycle. Fig. 1 shows the increasing levels of speed connected to various levels of governance. The horizontal levels of governance are out of sync and there is no vertical integration. This results in a disconnect between the levels and an inability to adapt.

The control-based model often assumes that decisions are taken higher in the hierarchy. In a hierarchical organizational model there are clear procedures determining who is responsible for what, and when a higher hierarchical level is needed. This is a solid, but static model which is often not suitable for dealing with dynamic and complex situations in which quick response times are needed. An event happening in the environment, for example a cybersecurity attack, might require a fast reaction. For emergency situations, plans and procedures are made to deal with them, but what about innovations, changing technology, or user needs that also need quick reactions, but are not emergencies? It might take too long if the traditional hierarchical decision-making model is followed. For example, it might need a too long time to free a budget. Often reporting is necessary to the higher hierarchical echelons, where the response (see Fig. 1) is slower and results in long reaction times, whereas constituents expect quick responses and adaptive government.

There is a tension between the ability to react quickly, ensuring stability and the making of sound, transparent and accountable decisions.
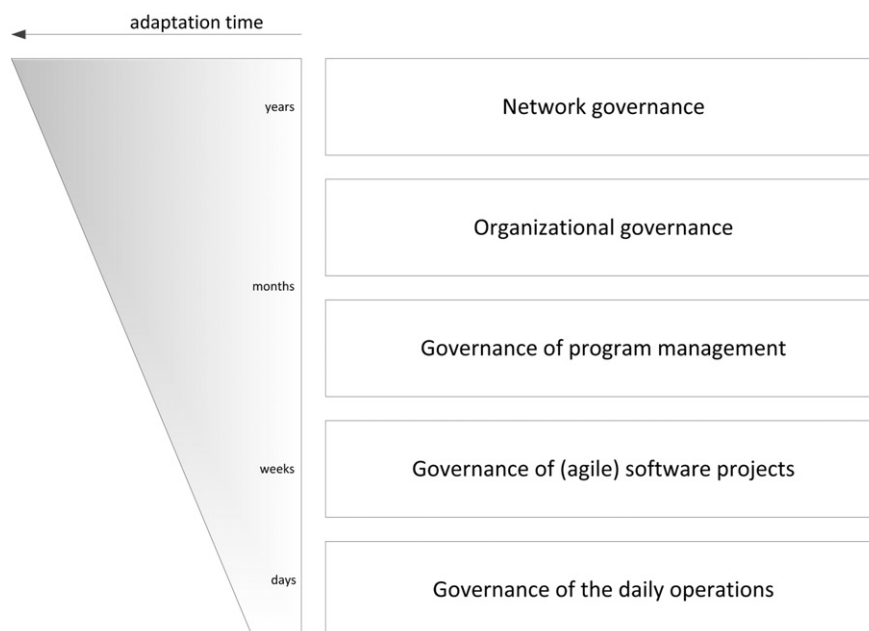

Fig. 1. Overview of differences in time at different levels of governance.