

The key intangibility of organizational culture and its relevance in the digital transformation processes of local public administrations

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Summary. The object of this work is the relevance of organizational culture and its consideration as a key intangible in local Public Administrations, notably in digital transformation processes. To this end, and from a descriptive, analytical and critical approach, the necessary management of key intangibles is addressed based on knowledge, from its connection with the generation of public value, emphasizing culture as that abstract and complex construct in its handling, in addition to being dynamic by nature. Next, from the functions that it performs and that are decisive for the different Public Administrations to be able to legitimize themselves before the citizens, the investment programs and reforms carried out with the contributions of European funds are observed, from the reality of the local world.

Keywords: Local Administration, Intangibles, Organizational Culture, Public Value, Digital Transformation, Structural Capital.

ES La intangibilidad clave de la cultura organizacional y su relevancia en los procesos de transformación digital de las administraciones públicas locales

Resumen. El objeto de este trabajo es la intangibilidad clave de la cultura organizacional en las Administraciones Públicas locales y su relevancia, de manera destacada, en los procesos de transformación digital. Para ello, y desde un enfoque descriptivo, analítico y crítico, se aborda la necesaria gestión de los intangibles clave con base en el conocimiento, desde su vinculación con la generación de valor público, haciendo hincapié en la cultura como ese constructo abstracto y complejo en su manejo, además de dinámico por naturaleza. Seguidamente, desde las funciones que desarrolla y que resultan determinantes para que las distintas Administraciones Públicas puedan legitimarse ante la ciudadanía, se observa los programas de inversiones y reformas llevadas a cabo con las aportaciones de los fondos europeos, desde la realidad del mundo local.

Palabras clave: Administración Local, Intangibles, Cultura Organizacional, Valor Público, Transformación Digital, Capital Estructural.

Summary: 1. Introduction. 2. Methodology. 3. Generating public value and managing intangible assets. 4. The role of organizational culture and public ethics. 5. Cultural change and the digital and administrative transformation processes of local entities. 6. Final reflections. 7. Bibliography.

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1. Introduction

In recent times, the study of organizational culture has been gaining relevance and visibility in organizations (Beckard and Pritchard, 1992), among academics (Dunnette and Hough, 1992), and in public institutions (Starling, 1982) [cited by Rodríguez Fernández, et al., 1996], based on a huge number of published works, along with courses, conferences, meetings, etc., stemming from a growing awareness of the role of culture in organizational life.

Therefore, the purpose of this paper, as expressed in its title, is to examine the relevance of organizational culture as a key intangible asset in contemporary local administrations, particularly due to its role in the digital and administrative transformation processes that are taking place in response to the challenges of the so-called digital age¹ (cloud computing, Artificial Intelligence, robotics, the Internet of Things, etc.).

With this purpose in mind, and following this brief introduction, we will discuss organizational culture, emphasizing its role as an abstract construct that is certainly complex to manage and dynamic by nature, so that local administrations can legitimize themselves before citizens and connect with their demands and requirements. Therefore, from the reality of the heterogeneous, underfunded, and fragmented local world, we observe the progress of investment and reform programs carried out with contributions from European recovery and resilience funds², reflecting on cultural change and its role in driving these transformation processes, which should translate into effective public measures and policies, as well as the provision of quality services that add public value.

2. Methodology

The preparation of this work, from a descriptive, analytical, and critical approach, was based on an exhaustive bibliographic review, although it drew on considerations and conclusions derived from the doctoral thesis entitled "El carácter contingente de la Administración Municipal: su modernización hacia la Administración Electrónica. Un estudio del ayuntamiento de Alicante y sus organismos autónomos"³ based on a data compilation from various primary and secondary sources and an understanding of the current scenario with recent changes and ongoing transformations.

Based on the aforementioned doctoral thesis and subsequent publications (Fuentes Santamaría, 2022; 2024a; 2024b), this proposal reflects on and analyzes the relevance of organizational culture and its implications as a key intangible asset that is complex to manage, particularly in digital and administrative transformation processes⁴.

3. The generation of public value and the management of intangibles

In today's digital world, technology is power, as Criado (2021) states, given the increasingly widespread and rapid use of emerging technologies that have already become essential in any public institution, both in its management and its "ad intra" and "ad extra" relations within governments and public administrations, as a way of legitimizing its power (Villoria and Ramírez-Alujas, 2013; Belmonte, 2014). This is a new era in which growing knowledge and innovation⁵, including public sector innovation, as part of social or societal innovation (Canales Aliende and Romero Tarín, 2017), are the greatest exponents of wealth generation (Edvinsson, 1997; Viedma Martí, 2001), which is directly linked to the key intangible resources⁶ of each organization as a source of value creation (Edvinsson, 1997; Lev, 2001), but, from their effective management (Fuentes Santamaría, 2022). Undoubtedly, in line with authors such as from their effective management (Fuentes Santamaría, 2022). Undoubtedly, in line with authors

¹ In this regard, see Villar Mir, J.M. (2019). Los retos de la Era Digital. Anales de la Real Academia de Ciencias Morales y Políticas [The challenges of the Digital Annals of the Royal Academy of Moral and Political Sciences] Vol. 96, 2019, pp. 17 et seq.

² Through Royal Decree-Law 36/2020, of December 30, urgent measures were approved in Spain for the modernization of the Public Administration and for the implementation of the Recovery, Transformation and Resilience Plan.

³ The study of organizational culture was approached in the doctoral thesis from a rationalist perspective, as just another variable in the organizational equation, observable, measurable, and relatable to other variables, based on the premise that it is a complex but real artificial construct, difficult to codify and invisible to accounting information, which exists independently of the people who comprise it and involves a process of learning shared meanings. This facilitated its consideration as a variable for study and examination alongside other variables and in relation to other aspects of the same.

⁴ Some of the indicators used in the analysis carried out on the aforementioned municipal administrations regarding organizational culture (with data obtained from three surveys conducted: at the management level, at the technical-middle management level, and at the administrative-support level) were as follows (Fuentes Santamaría, 2022):

No. of cultures identified

a) % of people who share the majority organizational culture
b) % sense of belonging
c) % of connection to the service (or workplace)
d) % of job definition (civil servant, public employee, worker)
e) % percentage perception of the need to develop digital skills.

⁵ According to the Ibero-American Charter for Innovation in Public Management, prepared by CLAD and approved by the XIX Ibero-American Conference of Ministers of Public Administration and State Reform on October 8, 2020, in its second chapter: "innovation in public management can be defined as the process of successfully exploring, assimilating, and exploiting a novelty in the institutional, organizational, and social spheres, in such a way that it provides unprecedented, original, and creative solutions to problems and thus allows for an optimal response to the new and traditional needs of citizens and society." [Available at the following link: <https://clad.org/declaraciones-consensos/carta-iberoamericana-de-innovacion-en-la-gestion-publica/>].

⁶ In this paper, the terms intangible assets, intangible resources, and intellectual capital are used interchangeably.

such as Drucker (1965), Stewart (1997), Sveiby (1997), Bueno Campos (2000), or Wiig (1997), who speak of societies of intangibles, knowledge societies⁷ or information societies, in addition to learning. And all of this stems from the search for sources of sustainability and the creation of public value in a complex world that is moving towards digitalization.

But what does it mean to talk about public value? It means talking about a desirable state of society that is related to the quality of life of citizens, both collectively and individually, considering the public policies and services they receive, and according to the normative principles agreed upon in that society (Geuijen et al., 2017, cited by Parrado, 2023). However, in the plural sense of the term, public values refer to maintaining social standards and principles that should guide administrative and governmental activity (Nabatchi, 2018, cited by Parrado, 2023).

In line with the above, public administrations should be considered as channels through which societal values and preferences are conveyed, based on the development of their essential mission to achieve effective social integration and cohesion, and good administration. To this end, and based on their day-to-day activities, relevant principles such as effectiveness, efficiency, accountability, responsibility, fairness, transparency, quality management, and participation in public affairs, among others, must be conveyed through public policies or through organizational and procedural changes or changes in technological and digital media, with possible impacts that must be taken into account. However, all of these must be focused on the creation of public value⁸ and key intangibles, as the cornerstone for developing an essential skill required by new environments, which is the capacity for continuous adaptation, resilience, and change (Fuentes Santamaría, 2022).

Consequently, values and principles in public management cannot be treated as absolute concepts, but rather as relative ones, based on their necessary contextualization. This is because if the instruments used in management processes, the techniques employed, the know-how, the knowledge, the training required of public workers, etc., change, the associated principles and values will inevitably change as well, thereby also changing the culture of each public institution.

To clarify the above, it is worth highlighting the direct impact that the development of the 2030 Agenda⁹ has had on the field of public management, incorporating a wealth of relevant knowledge generated in the social sciences in recent times, adding to the experience of public management at the global level. Some of the new values linked to the 2030 Agenda are: effective equality, diversity, inclusion, sustainable development, the promotion of alliances between multiple and varied actors, the promotion of coherent public actions based on the principles of effectiveness and efficiency that should be objectified with the adjective "social" when used in the fight against inequality, hunger, poverty, and freedom of expression, as well as principles such as integration achieved through the interrelation of all the Sustainable Development Goals (SDGs), cooperation, universality, and ethical orientation (leaving no one behind), among others that could be mentioned, from a comprehensive and interrelated perspective (Arenilla Sáez, 2019). Added to the above are new horizontal operating values, open to the environment and with an innovative orientation (Criado, 2016), which are more closely linked to technological and digital transformations and digital transformations in the public sector, based on new organizational capacities and implications in the relations between public administrations and citizens, such as: collaboration and cooperation in the creation of collaborative spaces, immediacy and efficiency in communications, interconnectivity, digital interrelation in cyber communities, portals, network platforms, etc.

Based on the above, and given the need to generate public value (Parrado, 2023), the discussion now turns to the concept of intangible, given the lack of consensus on a definition that is universally accepted and applied consistently in most studies, despite the proliferation of research in recent decades (Cañibano et al., 1999; Edvinsson and Malone, 1999; Sullivan, 2001; Canel and Piqueiras, 2021¹⁰). This lack of consensus is also observed in the process of classifying the different assets or dimensions that comprise them (Bontis, 1998, 2002; Sveiby, 1997; Brooking, 1996; Edvinsson and Malone, 1999; Roos et al., 2001).

To define what intangible resources are in an organization (also known as intellectual capital and used as a synonym for knowledge assets, invisible assets, or hidden assets), we must start with their difference from tangible resources, which are those that are easy to locate and value through financial statements. Intangible resources are invisible in accounting information, which makes them difficult to identify, value, and codify, as they are essentially based on knowledge, and therefore they are one of the fundamental sources of sustainability and public value

⁷ Drucker (1965). *The Future of Industrial Man*. London: New American Library.

⁸ Meynhardt (2009). Public Value Inside: What is Public Value Creation? *International Journal of Public Administration*, 32 (3-4): 192-219. DOI: 10.1080/01900690902732632

⁹ The 2030 Agenda for Sustainable Development was adopted at the 70th UN General Assembly on September 25, 2015, during the United Nations Development Summit held in New York.

¹⁰ See the following notable works by these authors on intangibility in the public sector: Canel and Piqueiras, (2021) and Piqueiras, P. & Canel, M.J. (2021). Exploring citizens' perceptions-based intangible resources in the public sector: An analysis of the relation between wealth and engagement and trust in seventeen countries. *Central European Journal of Communication*, 14, 1(28), 119-139; Canel Crespo, M.J. (2018). En busca de un marco para medir el valor intangible de la gestión pública. Análisis de casos prácticos de evaluación del "valor público" [In search of a framework for measuring the intangible value of public management. Analysis of case studies evaluating "public value"]; Canel, M.J. & Piqueiras, P. and Ortega, G. (eds.) (2017). *La comunicación de la Administración Pública. Conceptos y casos prácticos de los bienes intangibles* [Communication in Public Administration. Concepts and case studies of intangible assets]. Madrid: National Institute of Public Administration; Canel Crespo, M.J. and García Moleno, A. (2013) *Comunicar gobiernos fiables. Análisis de la confianza como valor intangible del Gobierno de España* [Communicating reliable governments. Analysis of trust as an intangible value of the Spanish Government]. Zer. *Journal of Communication Studies* 18 (34), 29-48.

creation (Parrado, 2023; Moore, 1995, 2013) and future organizational performance (Amir and Lev, 1996; Aboody and Lev, 1998; Edvinson, 1997; Kendrick, 1961; Lev, 1989, 2001, cited by Bueno and Murcia, 2008).

On the other hand, the term intellectual capital, assimilated to intangibles, gained popularity with Steward (1997). Since then, and to this day, numerous definitions have proliferated, from which the following constituent elements can be extracted: a) it refers to intangible resources or assets; b) it comprises resources and capabilities; c) it implies combination and dynamism; d) it is strategic in nature; e) it is a source of public value (Fuentes Santamaría, 2022).

Various classifications and contributions have been made regarding the dimensions (or elements) that make up intellectual capital (or intangibles), both from a theoretical and practical point of view. Although there seems to be a certain consensus in accepting the division of intellectual capital into the following three components (Bontis, 2002): human capital, structural capital, and relational capital, following the most widely used and recognized multidimensional model proposed by Bontis, Know, and Richardson (2000), as stated by Edvinson and Malone (1997), for whom talking about intellectual capital, or intangibles, implies the joint use of the aforementioned components.

Below are the different dimensions (or elements) and subcomponents that make up the intellectual capital of public administrations (PAs), as a proposal for their identification and subsequent management (Fuentes Santamaría, 2022):

– Human capital of PAs encompasses: a) The attitudes, skills, and knowledge of individuals and work teams (such as the ability to learn, create, and innovate). b) Leadership (the ability to build teams, convey vision, knowledge, enthusiasm, etc.). c) Staff satisfaction. d) Teamwork. e) Improving skills. f) The type of personnel interacting within the organization, such as capacity, depending on the type of relationship: civil servant – employee, as well as level of education or substitutability, among others.

– Structural capital of PAs includes: a) Key strategic reflection processes (design, definition, and strategic review processes). b) Public policy development processes. c) The processes of execution, maintenance, and decision-making by the organization. d) Organizational culture. e) Organic design. f) Management procedures (e-Procedures). g) Budget management processes (or budgetary factor). h) Knowledge technology processes (or technological factor).

– Relational capital of PAs includes: a) Institutional reputation and image. b) The intensity of relations with citizens and their satisfaction. c) Citizen support and service processes. d) Strategic alliances with other PAs (inter-administrative and intergovernmental relations, through cooperation and collaboration mechanisms). e) Interrelationships and key bases of associations, foundations, companies, unions, suppliers, etc., as the organization's capacity for analysis (from identification, classification, and study, providing information and knowledge).

As can be seen, organizational culture is integrated into the structural capital, which incorporates all the systematized, explicit, or internalized knowledge of the organization, based on the uniqueness and specificity of each public administration. However, these three areas or components of action grow in concentric circles from the individual (central core), the organization, and the environment that surrounds them, conditioning their decisions based on the interactions that occur between them. In this regard, authors such as Edvinsson and Malone (1999) point out that intellectual capital management involves the joint use of human capital, structural capital, and relational capital. However, other authors such as Ordóñez de Pablos (2003) emphasize the significant effects that human capital, as a set of values, attitudes, aptitudes, and capacities for learning, innovation, etc., has on structural capital and relational capital. This position is also shared by authors such as Bontis (1998) and Bueno and Salmador (2003), who emphasize that human capital is the keystone for generating the other two dimensions. Although all of them emphasize the need for effective management, which requires the development of appropriate tools^{11,12}, suitable for identifying, measuring, assessing, reporting, and strategically, systematically, and comprehensively managing administrative resources and knowledge-based capabilities (Petty and Guthrie, 2000, Mouritsen, Larsen, and Bukh, 2001). This is linked in the public sector to reform and modernization strategies, with the aim of advancing the improvement of public management, in line with the above and with the framework for action of the OECD countries, particularly the EU, which considers a new knowledge-based civil service and its management to be essential.

¹¹ Among the best known and most widely accepted models are the following (Valhondo, 2003): a. The Konrad Group and its invisible Balance Sheet (Sveiby); b. Skandia Navigator (Leif Edvinson); c. Sveiby's model or Intangible Asset Monitor; d. Tobin's Formula (James Tobin, Nobel Prize in Economics, 1981); e. Paul Strassmann's Capital Valuation; f. Balanced Scorecard (Kaplan and Norton, 1992, 1993, 1996); g. Edvinsson and Malone (1997); h. Competency-Based Strategic Management Model (Bueno) i. Technology Broker (Annie Brooking).

¹² Although each model develops its own indicators, based on the characteristics and unique features of each organization and its context, the following indicators can be mentioned in general terms for a measurement that considers both internal and external aspects: a. growth and innovation indicators, which show the future potential of the organization; b. efficiency indicators, which report on the extent to which intangible assets are productive and efficient in their operation and add value; c. stability indicators, which indicate the degree of permanence of intangible assets in the organization.

In light of the above, and to conclude this section, it should be emphasized that knowledge has become the strategic resource par excellence in contemporary societies and also in public administrations. Therefore, its effective (strategic) management is urgently needed in any local entity. As Walter Wriston¹³ points out in his highly regarded work *The Twilight of Sovereignty*, "indeed, the new source of wealth is not material; it is information, knowledge applied to work to create value" (Edvinsson and Malone, 2001).

4. The role of organizational culture and public ethics

Local public administrations which, as territorially decentralized administrations, are public administrations but with their own distinct and differentiated characteristics (such as organizational design, budgetary factors, management procedures, among others), are conditioned by the population they serve and the territory in which they are located and exercise their competences, forming an institutional part of the State. They are, therefore, local territorial entities with their own legal personality, which are recognized and protected by what is known as "local autonomy" for the management of their interests, as established in Article 137 of the 1978 Constitution, in the development of their essential mission to achieve social integration and cohesion and good administration. To this end, as has been explained, it is essential to focus on the management of their key intangibles, specifically organizational culture, but from the perspective of the primacy of the ethics of responsibility (Weber, 1984), in order to generate wealth and public value through the formulation and implementation of valuable public policies that prioritize the achievement of institutional legitimacy to avoid disconnection or distancing from citizens, based on ethical strengthening in public action.

Public ethics, considered the hallmark of public management, is at the heart of organizational culture (Grosenik, 1994). It is therefore unquestionably an essential tool for administrative modernization (Canales Aliende, 2002). In this regard, as Caiden points out, in order to achieve permanent improvement in administrative actions, a permanent transformation of administrative culture is necessary; although changes in ethics and attitudes cannot be forced, they must arise from within, from a true change of heart (Caiden, 1991).

The above statement presents organizational culture as a decisive intangible factor in organizations, in line with authors such as Bueno (2000, 1998), Bueno-CIC (2003), and Davenport and Prusack (1998, 2001), among others, based on its uniqueness and distinct specificity. All administrative and management processes, from decision-making, the production and circulation of information and communication, the management of knowledge and collective intelligence, the strategic approach to be promoted, etc., as well as their application in public actions and policies, are managed from the specificity of the public sector and the values associated with it. In addition to the above, the dominant values accepted in each institution, know-how, behaviors and widespread norms, symbols, ceremonies, the prevailing set of beliefs, etc., without overlooking the social, political, and economic environment in which each institution is immersed and with which it interacts.

In light of the above, it is necessary to emphasize that there is no such thing as a homogeneous and static culture in contemporary administrations. Thus, and based on the fact that organizational culture is the result of the sum of common elements in the multiple groups that make up each organization, cultural diversity is a reality. This translates into a dominant (or formal) culture that is unique to each public administration, which coexists with other cultures (or rather, subcultures) that exist as minorities. However, cultural diversity should not be a negative or undesirable condition. On the contrary, it could be a stimulus for achieving the objectives set through effective management, always with under the control of dysfunctions by senior leadership.

The growing interest in the study of this powerful key intangible, which since the 1980s has been gaining relevance and visibility¹⁴,¹⁵, also at the local level, is evident in the numerous works published, together with the organization of courses, conferences, meetings, etc., resulting in a lack of consensus in the scientific community on a theoretical definition of organizational culture. This, in turn, hinders its delimitation, understanding, and measurement (Rodríguez Fernández, et al., 1996), with respect to a construct that is abstract, confusing, and complex to handle, but dynamic in nature. Organizational culture is not a static construct, as indicated above, but rather evolves in response to internal changes within the organization itself and the groups that comprise it, as well as external changes in the context in which it operates and with which it interacts. According to this, and following the approach of Adela Cortina (1997), "each culture is, in reality, multicultural," as is the case with

¹³ See Walter B. Wriston (1992). *The Twilight of Sovereignty: How the Information Revolution is Transforming Our World*. New York: Scribner.

¹⁴ Other authors of interest who have addressed the study of organizational culture include: Akpa, V., Olalekan, A., & Nneji, N. E. (2021). *Organizational Culture and Organizational Performance: A Review of Literature*. *International Journal of Advances in Engineering and Management*, 3, 361-372; Paaís and Pattiruhu (2020). *Effect of Motivation, Leadership, and Organizational Culture on Satisfaction and Employee Performance*. *The Journal of Asian Finance, Economics and Business*, 7, 577-588. <https://doi.org/10.13106/jafeb.2020.vol7.no8.577>.

¹⁵ Two important publications that raised awareness of the potential relevance of organizational culture not only among researchers and academics, but also among managers and the general public, marked a turning point in the growing interest in the study of organizational culture. These works are as follows: a. *Theory Z: How Companies Can Meet the Japanese Challenge*, by William Ouchi (1982); b. *In Search of Excellence*, by Thomas Peters and Robert Waterman, Jr. (1992).

each of the public employees who are part of the organization and the groups with which it interacts. Therefore, organizational culture is dynamism, but also tradition and events, based on adequate internal integration and adaptation to the environment (Schein, 1986) that generates consistency and predictability, as well as conveying a sense of identity, facilitating employee loyalty, establishing boundaries with other organizations, and promoting the social stability of the organization, either directly or indirectly.

In the 1980s, authors such as Kilman, Pacanowsky, and O'Donnell-Trujillo already highlighted the relevance of culture, identifying it with what each organization is, using the following terms: "Culture is to an organization what personality is to an individual (...), it is what provides it with meaning, direction, and mobilization" (Kilmann, et al., 1985). "(...) it is not just another piece of the puzzle, it is the puzzle itself. From our point of view, a culture is not something that an organization has, it is something that an organization is" (Pacanowsky and O'Donnell-Trujillo, 1983).

Another notable author to mention is Gareth Morgan (1990), with his thesis that organizations are cultural phenomena, meaning, according to the aforementioned author, that organizations not only have a culture, but are themselves a culture. They are a social construct in which individuals are not external, but work and act according to values, beliefs, and norms. From this perspective, each organization is a cultural fact that interacts culturally with society as a whole (Román-Masedo, 2001).

However, the study of organizational culture has been approached from very different perspectives. For this work, and from a rationalist approach, culture is considered as another variable in the equation of the organization, and therefore observable, measurable, and relatable to other variables, based on the assumption that it is a complex artificial construct¹⁶, but real, difficult to codify and invisible to accounting information, which exists independently of the individuals who comprise it and involves a process of learning shared meanings.

5. Cultural change and the processes of digital and administrative transformation of local entities

Given the above, public organizations are currently required to manage change processes on an ongoing basis, within the complex, volatile, uncertain, and ambiguous context described above, in which multidimensional transformations are occurring at high speed with the penetration of new digital technologies at a rate unprecedented to date. Digitalization is transforming contemporary societies into societies of change and technological revolution, with effects on all spheres of life, including work (Autor, Mindell, and Reynolds, 2020). And it will continue to do so. Therefore, it is undeniable that change is now a characteristic phenomenon of the life cycle of public administrations, forming part of their daily routine. However, not all change can be considered significant within these administrations, given that they are open systems that are also dynamic and have internal control mechanisms and regularities.

At the local level, the administrative activity-technology pairing is increasingly relevant. In fact, in recent years, there has been an increase in technological and digital modernization and innovation processes based on the use of new technologies, seeking to achieve a real digital transformation in local entities through investment programs and reforms carried out with contributions from European recovery and resilience funds, which identify digital transformation as a pillar of progress and regeneration towards sustainable growth. Specifically, through the Plan for the Digitalization of Public Administrations (2021–2025)¹⁷ which is part of the national plan focused on the modernization of public administrations from their essential role in the proper functioning of Spanish society, developed with the aforementioned European funds.

In recent years, since the significant and timely transfer of Next Generation EU funds for the digitization of the public sector and the promotion of digital skills among citizens, including at the local and regional levels, the development of various sectoral plans to promote digitization is taking shape, in addition to the aforementioned Plan for the Digitization of Public Administrations with an initial budget of €3.165 million, as shown below, which is strengthening the transition to a truly digital administration.

¹⁶ There is a certain consensus in doctrine that organizational culture is a construct made up of different levels that incorporate both observable characteristics (such as behavior patterns, rules, stories, myths, language, ceremonies, and rituals, etc., always depending on the structural configuration of each organization and the groups that comprise it), as well as unobservable characteristics of the organization itself (the values, beliefs, and assumptions shared by its members, among others). Consequently, organizational culture would be the result of the configuration of the aforementioned levels that make up the indicated characteristics, differentiated in each organization, which create, or should create, consistency, predictability, differentiated identity, etc.

¹⁷ The Public Administration Digitization Plan is also part of the Digital Spain 2026 initiative.

	Budget (millions of euros)
Plan for Connectivity and Digital Infrastructure for society, the economy, and territories	1,960
Strategy to Promote 5G Technology	1,514
National Cybersecurity Plan	1,000
ENIA National Artificial Intelligence Strategy	600
<i>Public Administration Digitization Plan</i>	3,165*
SME Digitalization Plan	5,000
Spain, European Audiovisual Hub Plan	1,600
National Digital Skills Plan	3,593

*Of the €3.165 million in initial investments, at least €970 million is expected to be allocated specifically to autonomous communities and local entities for the development of digital public services across Spain.

Source: Implementation report. Digital Spain (2023).

Alongside the indicated public investments in digitization, and with increased forecasts for the coming years that could reach a total estimated budget of €26.700 million (1.8% of GDP)¹⁸, excluding private investment, an ambitious agenda of structural, rather than short-term, reforms is gradually being developed. This agenda aims to transform the regulatory environment in order to provide appropriate regulations and legislation governing the ethical and legal responsibility for the development and application of new digital technologies in all areas and at all levels of the public sector. In this regard, the aim is to align with the most advanced countries and adapt to new technologies in order to catalyze digital transformation through the approval of new laws on the modernization of telecommunications, 5G cybersecurity, audiovisual communication, etc. Therefore, the implementation of the Recovery, Transformation, and Resilience Plan is enabling public administrations, including local ones, to position themselves to be drivers of technological and digital changes necessary to transform society and meet the requirements of citizens, through the implementation of public policies and the provision of quality services, beyond their approach as a response to the damage caused by COVID-19, and from the reality of Artificial Intelligence (AI) that is increasingly present, also in the public sector (Velasco Rico, 2022). This raises important questions that go beyond legal concerns, entering the organizational domains and directly appealing to ethics¹⁹. As Gamero Casado points out, AI development should be a priority in the current scenario (Gamero Casado, 2022).

This last point is reinforced in the European Commission's Report on the Digital Decade 2024, which highlights Spain's remarkable progress in the use of Artificial Intelligence²⁰, driven by strong dynamics in the private sector that is now spreading to the public sector. Regarding digitization in public services, and based on results that are above the EU average, the report reinforces the need to continue on the path of digitization in all areas and levels of the public sector, promoting its use to mitigate digital divide and ensure that services are inclusive, personalized, and of high-quality. In this regard, it is interesting to note some positive trends revealed in the special Eurobarometer Digital Decade 2024 survey on digital rights and principles, specifically that 62% of Spanish respondents are satisfied with their level of digital skills and 60% are confident about affordable high-speed internet. However, concerns about EU protection of digital rights have increased among 64% of Spanish respondents, while 61% emphasize the online safety of minors and 53% express concern about the control of their personal data, underlining in the conclusions the need, at the national level, to strengthen digital rights²¹.

However, despite the rapid pace at which these new technologies are emerging, a period of incubation (or transition) is necessarily required, which may vary in length depending on the resources and capabilities available in each administration, as well as its management and prevailing organizational culture (Fuentes Santamaría, 2022). In addition to the above, and given the dynamics in which local administrations operate, the following key factors must be taken into account: having institutional leadership

¹⁸ European Commission report on the state of the Digital Decade 2024 in Spain. Available at the following link: <https://digital-strategy.ec.europa.eu/en/factpages/spain-2024-digital-decade-country-report>

¹⁹ In this regard, see Cortina Orts, A., "Ética de la inteligencia artificial. Anales de la Real Academia de Ciencias Morales y Políticas" [Ethics of Artificial Intelligence," Annals of the Royal Academy of Moral and Political Sciences], vol. 96, 2019, pp. 379 et seq.

²⁰ European Commission (2022). A European approach to artificial intelligence. Available at the following link: <https://digital-strategy.ec.europa.eu/es/policies/european-approach-artificial-intelligence>

²¹ See the Charter of Digital Rights, which sets out the rights of citizens and businesses in today's digital world, published in July 2021. It can be consulted at the following link: <https://espanadigital.gob.es/lineas-de-actuacion/carta-de-derechos-digitales>

(political-technical), decisive and harmonized, which fosters intelligent learning, the development of adaptation and resilience capabilities, and the effective management of intellectual capital (human capital + relational capital + structural capital), with an emphasis on human capital. Without ignoring possible inertia, resistance, or administrative obstacles that may arise, although the causes of resistance rarely respond to simple cause-effect situations. In general, it is a complex mixture of emotional issues (fear of the unknown and of failure, resistance to experimentation, etc.), historical issues (such as unperceived benefits, threats to the established power, etc.) and de facto issues, which are not easy to manage (Ramió Matas, 1999).

In this regard, Wilkins (1983) emphasizes in his work "The Culture Audit: a tool for understanding organizations" the need for a culture to be aligned with the organization and, therefore, with the planned strategy to provide value through its effective execution, since, as Mintzberg (1991) points out, execution is also strategy. Based on this study and others that followed, awareness began to grow about the role of culture in organizational life and the importance of conducting both formal and informal cultural audits²², either internally or by using external consulting services, to monitor and evaluate behaviors, norms and their compliance, or prevailing values, among other aspects, that facilitate the adoption of effective measures and the articulation of possible changes in its components. As Handy (1985) states, "each culture (...) is based on very different assumptions about the importance of power and influence, about what motivates people, how they think and learn, and how things can be changed. These assumptions result in different management styles, structures, procedures, and incentive systems" (Handy, 1985).

Consequently, significant cultural changes and their effective management are considered an essential pillar for underpinning the construction of the new model of administration based on the intensive use of electronic media and new technologies (Cerrillo i Martínez, 2022), linked to technological-digital and administrative transformations, seeking through automation in management to improve access to public services and their quality, streamline procedures, and achieve effective administrative simplification, reducing costs and resources used. All of this is based on the promotion of new organizational capabilities with implications for relations between public administrations and citizens, introducing not only new values that add to new habits and attitudes reflected in daily tasks, routines, or behaviors, but also new patterns of interaction between roles or groups, based on interconnectivity, collaboration, immediate and effective communication, digital interrelation, etc. This should take place without undermining established legal guarantees, through learning as a continuous process and as a capacity to respond to external and internal stimuli within the organization, using training mechanisms based on relevant diagnoses and performance assessments, together with strong institutional leadership on the use of means to achieve ends, based on proportionality and adequacy to avoid discriminatory differences in treatment.

6. Final thoughts

In our digital world, technology is power, as Criado (2021) states, and knowledge and its effective management have become the strategic resource par excellence, together with the growing power of data and its value (there is already talk of dataocracies), producing revolutionary changes not only in society, but also in public administrations from their contingency (Fuentes Santamaría, 2022). Therefore, it is unquestionable that change is now a characteristic phenomenon in the life cycle of any organization, which must face processes of continuous transformation in its configuration and functioning.

Given the scenario described above, the implications and role of organizational culture in the path toward digitization are evident in any administration, both in formal aspects and at the internal and external levels, with effects on its know-how, values, customs, etc., As open systems, they are, or should be, dynamic and equipped with control mechanisms and internal regulations. Therefore, it is proposed that they be considered a key intangible asset based on knowledge and with the capacity to generate public value, but from the perspective of their management and alignment with the intended goals and objectives. Although it is certainly a complex construct to manage, it is also dynamic in nature.

Therefore, it is important to emphasize the need to effectively manage significant cultural changes as an essential pillar for consolidating the technological-digital and administrative transformation processes that are progressively and continuously taking place in local entities. This can be achieved through formal and informal cultural audits that provide an accurate, realistic, and integrated view of the culture within the organization, in addition to planning strategies aligned with the goals to be achieved, considering the resources and capabilities available to facilitate their execution. However, this must always be done with strong and decisive institutional leadership on the use of means to achieve ends.

As a final thought, and in connection with the above, it is important to highlight the temporary support provided by European funds for the transformations being faced and managed by under-resourced local administrations, forcing a rethink in the face of possible inertia, reluctance, or administrative obstacles. Without a doubt, the European recovery and resilience mechanism represents a temporary opportunity to promote the creation of a smart administration in line with the 21st century, based on significant investment is being made in

²² These are two different types of cultural audit, although they certainly complement each other, as their joint implementation provides an integrated and comprehensive view of the organization's culture.

the development of various sectoral plans to promote digitization, together with far-reaching regulatory reforms to facilitate the improvement of the quality of public policies and the adoption of digital processes and media. All of this is aimed at moving towards services that are not only more effective and efficient, but also effective (at a strategic level), personalized, inclusive, proactive, and of high quality, reducing unit costs and processing times. while recognizing the need to strengthen and align with the organization a culture of public service that has the citizen and their requirements at its core, together with an increasingly present digital and knowledge culture, which facilitates the exercise of citizens' rights in their relations with local administrations.

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