# Is Sweden's public sector digital leadership vision at odds with reality? Reflections on strategic dialogue practices

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**Abstract**

This paper reflects on the enactment of strategic dialogue in digital strategizing within the Swedish public sector. By examining distinct clusters of dialogue practices, we uncover the predominance of top-down, formalized dialogue alongside pockets of collaborative and data-driven approaches. The reflections highlight the importance of fostering an adaptive and inclusive dialogue to enhance digital transformation efforts.

**Keywords**

dialogue, digital strategizing, forms, actors, forums, digital transformation, public sector

## 1. Introduction

Sweden is one of the leading digital economies in the EU [7] and has a vision to be the best in the world at using the opportunities of digitalization [20], implying a responsibility to model best practices in digital strategizing [17] and, specifically, strategic dialogue practices [5]. This means fostering an environment where dialogue is prioritized, and information is accessible and tailored to meet the needs of its users, thereby making a significant impact on society. In Sweden, the public sector is the largest employer and is undergoing rapid digital transformation. Although digital transformation is pivotal for public sector organizations, at this moment, research on strategic dialogue within this context remains limited [8]. Strategic dialogue involves the exchange of perspectives among stakeholders, playing a crucial role in shaping and implementing strategies essential for digital transformation [5, 14]. Our paper addresses this research gap by analyzing how different actors, forms, and forums of strategic dialogue are employed in digital strategizing. We look to Sweden's public sector digital strategizing practices as a potential role model.

For this reason, we utilize an exploratory survey targeting Swedish public sector managers and specialists to analyze how different dialogue forms, forums and actors are employed in digital strategizing. We received 59 valid responses, which we grouped using consensus clustering. This technique helped to enhance the robustness and stability of clusters despite the small sample size. The outcome was 11 clusters, subjectively grouped into four meta-clusters, this is a reflection of the findings.

This viewpoint argues that the predominance of top-down, bureaucratic strategic dialogue practices in Sweden's public sector may hinder its ability to fully adapt to the challenges of digital transformation despite the country's position as a leader in

digitalization. We highlight the need for more inclusive, collaborative, and data-driven approaches to strategic dialogue by examining distinct clusters of practices.

## 2. Theoretical expectations

Digital strategizing involves organizational actors' actions, interactions, and practices to formulate and implement strategies, emphasizing transparency, inclusivity, and continuous stakeholder engagement, particularly in digital transformation [6, 9, 17, 22]. Strategic dialogue, a subset of strategizing, facilitates the exchange of ideas among stakeholders to shape and implement strategies [14] and includes various forms of communication, from formal meetings to informal discussions [5]. Despite its significance, empirical research on strategic dialogue remains limited, especially within the public sector [21]. This study synthesizes insights from strategy-as-practice [22] and strategic dialogue [5] to develop a conceptual model presented in Table 1.

**Table 1:** The strategic dialogue model

| Dimension | Description | Examples |
|-----------|-------------|----------|
| **Actors** | Practitioners who embody and enact strategic dialogue [12], framing the "who". | - Top executives<br>- Middle managers<br>- Frontline employees |
| **Forms** | Communication practices central to strategic dialogue [6, 10, 11], framing the "how". | - Formal<br>- Collaborative<br>- Informal |
| **Forums** | Situated contexts where strategic dialogue occurs [13], framing the "where". | - Boardrooms<br>- Off-site retreats<br>- Digital platforms |

## 3. Findings

Our analysis of the survey responses revealed four distinct meta-clusters (Table 2) of strategic dialogue practices in the Swedish public sector. These meta-clusters were derived from 11 underlying clusters, each characterized by unique combinations of actors, forms, and forums of dialogue. These clusters reveal the predominance of top-down, formalized dialogue practices, with some instances of collaborative and data-driven approaches. Below, we reflect on the key aspects of these findings.

Starting with actors, our findings reveal that top management and strategists are the key actors driving strategic dialogue in the Swedish public sector. This hierarchical dynamic is particularly evident in the Formalized Directive and Hybrid Synthesized meta-clusters. Although centralization may enable efficient decision-making [15], it risks overlooking diverse perspectives crucial for navigating digital transformation.

**Table 2**: Overview meta-clusters

| Meta-cluster | Actors | Forms | Forums |
|---|---|---|---|
| **Formalized Directive** | Top management, strategists | Bureaucratic, formal | Meetings, workshops |
| **Inclusive Interactive** | Top management, line managers, responsible individuals, managers, directors | Collaborative, facts & scenarios | Workshops, digital platforms |
| **Hybrid Synthesized** | Top management, responsible individuals, line managers | Bureaucratic, collaborative | Formal and informal forums |
| **Data-driven Adaptive** | Responsible individuals, strategists | Facts & scenarios, ad-hoc | Workshops, meetings |

In contrast, the Inclusive Interactive meta-cluster showcases a more distributed approach, with various actors driving the dialogue. However, the overall dominance of top-down approaches raises concerns about effectively incorporating diverse perspectives across organizational levels [16, 18]. The predominance of bureaucratic dialogue forms suggests a need to recalibrate the balance between formal and informal communication. While formal dialogue brings clarity and structure, it may hinder the flexibility required for rapid adaptation in digital transformation [4].

The findings show that managers and specialists consider meetings and workshops the most important arenas for strategizing. However, digital platforms that offer scale, speed, and inclusivity [3] are notably underutilized. The reliance on conventional forums may limit the full potential of strategic dialogue in supporting digital transformation. Balancing traditional forums with digital platforms can enhance flexibility while maintaining control, fostering a more responsive and adaptive environment for digital strategizing.

## 4. Reflections

Our findings underscore a central paradox in the Swedish public sector approach to digital transformation. As a recognized leader in digitalization, Sweden's vision of maintaining its position at the digital forefront is clear [20]. However, the predominance of hierarchical, formalized strategic dialogue practices in its public sector may hinder the adaptability and innovation crucial for success in a rapidly evolving digital landscape [1, 16, 18]. This raises a provocative question: Is Sweden's vision of digital leadership at odds with the rigidity of its current strategic dialogue practices?

Interestingly, our study reveals pockets of collaborative and data-driven dialogue that hint at attempts to balance stability and adaptation. The prevalence of incremental changes within established structures suggests that digital transformation in Sweden's public sector might be more accurately described as a gradual reform rather than a revolutionary transformation. This insight challenges the conventional narrative of digital transformation as a rapid, disruptive force and highlights the importance of balancing stability and change in the public sector.

Drawing on dynamic conservatism [2] and logical incrementalism [19], we posit that strategic change in the public sector may emerge through incremental steps within established structures. While this approach may ensure stability and continuity, it also risks perpetuating the rigidity that could hinder adaptability in the face of rapid technological change. Public sector organizations must navigate the delicate balance between maintaining the stability necessary for reliable public service delivery and embracing the change required to adapt in the digital age. This balancing act raises important questions: Can gradual reform keep pace with the demands of the digital age, or is a more transformative approach necessary? How can public sector organizations foster a culture of innovation and adaptability while maintaining the stability and consistency that citizens expect? Striking the right balance between stability and change will be critical for the success of digital transformation efforts in the public sector.

While our exploratory approach offers valuable insights, it also has limitations. Future research could employ more comprehensive designs and diverse samples to capture the full complexity of strategic dialogue. Moreover, the question remains: Are current strategic dialogue practices conducive to digital transformation, or is a fundamental shift required? Our suggestions for practice change are presented in Table 3.

**Table 3:** Current and emergent practices of dialogue

| Dimension | Current practice | Emergent practice |
|-----------|------------------|-------------------|
| **Actors** | Primarily top-down, with strategic dialogue driven by top management and strategists. | Inclusive involvement of actors from all levels of the organization, including frontline employees and external stakeholders. |
| **Forms** | Reliance on formal, structured, and bureaucratic forms of communication that maintain hierarchical control. | Emphasis on collaborative, informal, and digital forms of communication that facilitate open dialogue and knowledge sharing. |
| **Forums** | Predominance of traditional forums, such as boardrooms and formal meetings, reinforcing hierarchical decision-making. | Utilization of diverse forums, including digital platforms and informal spaces, to enable integrative and generative dialogue. |

If utilized in practice, we believe our suggestions can potentially contribute to a more transparent, inclusive, and adaptive strategic dialogue in public sector digital strategizing, which can meet the needs of rapid and continuous change. Simultaneously, it's crucial to acknowledge the necessity of striking a delicate balance between control and flexibility, informality and formal dialogue, and distributed and hierarchical decision-making, contingent upon the prevailing context. This balanced approach can foster an adaptive and resilient workplace, positioning public sector organizations for long-term success in their digital transformation efforts. Learning how to achieve this balance is challenging but necessary for leaders in public sector organizations in order to create an environment that supports stability and change.

Ultimately, our reflections underscore the need for public sector organizations to navigate digital transformation's inherent tensions. Only by embracing this complexity can they hope to unlock the full potential of strategic dialogue in shaping their digital future.

## 5. Overarching conclusion and future work

This study contributes to understanding strategic dialogue in digital strategizing [5, 22] by identifying distinct practice meta-clusters. However, the variability of practices suggests that broad generalization may be challenging. Instead, we propose the dialogue matrix (Table 4) and strategic dialogue model (Table 1) as tools for practitioners to tailor their approach to their organizational context.

**Table 4:** The dialogue matrix – forms of dialogue

|  | Closed | Open |
|---|---|---|
| **Formal** | **Bureaucratic**: A diagnostic form of communication that is formal and structured, focusing on conflict resolution and clarification of roles within hierarchical structures. | **Scenarios & Facts**: An integrative approach that is formal and structured, embracing diverse viewpoints and data to align various organizational parts toward common goals. |
| **Informal** | **Ad hoc:** A reactive style marked by informal, spontaneous dialogue without structured processes, which can result in fragmented communication. | **Collaborative:** A generative form that is informal and unstructured, facilitating open communication that is essential for innovation and dynamic consensus-building. |

Our findings indicate that the Swedish public sector predominantly employs a top-down, bureaucratic approach to strategic dialogue, characterized by limited use of collaborative digital tools. This finding raises concerns about the sector's ability to navigate the complexities of digital transformation effectively. Public sector organizations must foster inclusive and adaptive dialogue practices to enhance digital strategizing. By integrating collaborative and data-driven dialogue forms, organizations can tap into the diversity of perspectives and insights necessary for innovation in the rapidly evolving digital landscape.

The generalizability of our findings is limited by the study's small sample size and focus on the Swedish context. Future research should explore comparative analyses across national contexts and sectors to validate and extend our insights. Moreover, further investigation into the role of digital tools in facilitating strategic dialogue and the mechanisms of dialogue in strategy formulation could provide valuable insights.

Looking ahead, we invite further exploration of how public sector organizations can cultivate strategic dialogue practices that enable change while maintaining stability. What role can leadership, digital tools, and flexible governance play in navigating this tension? Moving beyond a binary view of bureaucratic versus collaborative dialogue opens new avenues for theory development and practical insights.

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