Chapter XVI

E-Government Implementation: Balancing Collaboration and Control in Stakeholder Management

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ABSTRACT

As e-government plays an increasingly dominant role in modern public administrative management, its pervasive influence on organizations and individuals is apparent. It is therefore timely and relevant to examine e-governance, the fundamental mission of e-government. By adopting a stakeholder perspective, this study approaches the topic of e-governance in e-government from the three critical aspects of stakeholder management: (1) identification of stakeholders; (2) recognition of differing interests among stakeholders; and (3) how an organization caters to and furthers these interests. Findings from the case study point to the importance of: (1) discarding the traditional preference for controls to develop instead a proactive attitude towards the identification of all relevant collaborators; (2) conducting cautious assessments of the technological restrictions underlying IT-transformed public services to map out the boundary for devising and implementing control and collaboration mechanisms in the system; and (3) developing strategies to align stakeholder interests such that participation in e-government can be self-governing.
INTRODUCTION

The notion of corporate governance is a topic of intense debate within strategic management literature (Sundaramurthy & Lewis, 2003). Disputes have persisted over the optimal configuration of power in an organization to exploit the collective strength of its stakeholders (see Demb & Neubauer, 1992; Sundaramurthy, 2000; Westphal, 1999).

Strategic management scholars, such as Eisenhardt (1989) and Hawley and Williams (1996), have argued that self-serving opportunism is a predominant trait among stakeholders; they recommended the enforcement of procedural controls to restrain the manifestation of such delinquent behavior. Yet social psychologists suggested otherwise. Observing stakeholders to be inherently inspired by motivational desires of self-actualization (Davis, Schoorman, & Donaldson, 1997), sociologists propose that instead of imposing restrictive perimeters around stakeholders’ actions, responsible stakeholders should in fact be empowered to exercise their own judgments and be cherished as partners of the governance system (Donaldson & Davis, 1994). Not surprisingly, these opposite viewpoints have prompted researchers to seek alternative theoretical approaches that go beyond either direction (see Audia, Locke, & Smith, 2000). Among them, Demb and Neubauer (1992) advocate a paradoxical and provocative strategy to corporate governance, one that encapsulates the simultaneous demand for both stakeholder control and cooperation.

Nonetheless, advances in Information Technology (IT) and its assimilation into business processes have further complicated the theoretical framing of corporate governance. Allen, Juillet, Paquet, and Roy (2001) postulated that the emergence of electronic governance (e-governance) goes beyond the mere adaptation of technologies to encompass novel patterns of managerial decision-making, power-sharing, and resource-coordination. Changes include the induction of adaptive corporate structures, innovative leadership styles, and even a redefinition of business purpose, all of which are made possible and necessary through IT (Allen et al., 2001). In this sense, e-governance may be considered as the embodiment of the challenges facing corporate governance in the realization of an optimal mix strategy of control and collaboration for the maximization of organizational stakeholder value. Aptly, we conceive e-governance as the effective utilization of IT to strategically manage stakeholders for competitiveness. This definition builds upon scholarly predictions that foresee the future of organizations as intimately dependent on their capabilities in exploiting technological innovations to harness competencies in an enhanced network of stakeholders (Guillaume, 1999; Prahalad & Ramaswamy, 2000).

The managerial interpretations of e-governance are not exclusive to the private sector (Allen et al., 2001; Seavey, 1996). Pablo and Pan (2002) noted similar IT-induced reformations in civil administration. With a renewed strategic focus on citizens as partners in the governing process (Wimmer & Traunmuller, 2000), this modernized approach to public management promises expanded functionalities through IT integration, and has been popularly termed “Electronic Government (e-government)” (Stratford & Stratford, 2000). Aichholzer and Schmutzer (2000) noted the fundamental changes in public management brought about by IT, and advised that the e-transformation of established government operations should entail a corresponding re-conceptualization of the underpinning governance system.
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