Chapter 13

E-Government Projects

Risk Management:
Taking Stakeholders in Perspective

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ABSTRACT

Stakeholders are proactive in the development of e-government initiatives; public organizations should be proactive in identifying all relevant collaborators, working with them and undertaking measures to systematically engage their stakeholders. Building coalitions with both internal and external stakeholders (Pardo & Scholl, 2002) of an e-government project may help in recognizing the critical stakeholders that deserve project managers’ attention. Henceforth, e-government has to rely on a broad consensus, commitment and ownership at all levels among government officials as well as the citizens. The diversity of stakeholder interests poses a considerable challenge to project managers. Stakeholder analysis may be applied to e-government projects to assist managers in identifying potential conflicts between project stakeholders at early project stages. Insights on potential stakeholder conflicts can then be used for devising and implementing communication strategies to prevent contradictory stakeholder interests and to avoid conflicts. Empirical evidence is needed in order to validate the suggested approach. Government to government and inter agency cooperation projects may be especially well suited, as complexity rises and multiple public sector organizations seeks to align their objectives to reach common goals.

INTRODUCTION

Almost all countries members of the United Nations (UN) are implementing e-government projects. At 2008, the UN argued that 188 countries among 192 adopted some features of e-government. Tight budgets, looking for increase of internal efficiency and customer value are among motivations for adopting e-government (Flak and Dertz, 2007; UN, 2008). In fact, benefits of e-government include more transparency, better authorities’ coordination at different levels of government, fast and efficient operations by
streamlining processes and lowering costs and growing civic participation (UN, 2005; UN, 2008).

Unfortunately, studies indicate that many of these goals are not obtained and/or lower benefits than expected are achieved (Moon, 2002; De, 2005; Flak et al., 2008). E-government services lack maturity (Moon, 2002) and many of these initiatives remain unsuccessful (Heeks, 2003; UN, 2003; De, 2005). Moreover, whereas almost all states are on line, they stand at different stages of e-government evolution. As it follows from UN report (2008), a high percentage of the countries remain at the first stages of e-government evolution. UN (2008) advanced that some of the developed countries are beginning to migrate to connected government. However, others are in the transactional stage of e-government or they are still at the initial stages of information and enhanced presence.

Several issues may explain the relatively slow process of implementing e-government and its failure. First, evolving to the integration stage seems to be more difficult since social, cultural and organisational barriers may limit the success chances at this level (Murray & al., 2004; Ebrahim & Irani, 2005; UN, 2008). Murray and al. (2004) highlighted that public sector organisations have unique challenges to the implementation process and implementation strategies often require particular attention to the social and political elements inherent in organisational changes. Second, the public sector is characterized by complexity due to a variety of stakeholders with different and often conflicting objectives (Flak & Nordheim, 2006; Flak & et al., 2008). E-government implies integration of government entities and re-organization of work processes (UN, 2008). Thus, various stakeholders may affect or be affected by such initiatives. However, it seems that not all stakeholders perceive e-government projects enthusiastically since their organizational and social status may be impacted (Scholl, 2005). Stakeholders can have different attitudes towards an e-government project. Some of them may have a threatening position. Others may be more collaborative and support the project. Conflicts and self interests may emerge as a challenge to e-government projects implementation. That’s why several authors (Murray and al., 2004; Scholl, 2005; Tan and al., 2007) argued that the success of e-government initiatives depends on the identification of the stakeholders, their interests and their expectations since the conception phase of the project.

Consequently, addressing the various stakeholders in an appropriate manner will be necessary. In this sense, Murray and et al. (2004) affirmed that implementation strategies should support the process of managing stakeholder relations in order to reduce the risk of stakeholder conflict and ensure the success of e-government initiative.

Although stakeholders and their different interests have to be identified, studies dealing with stakeholder influence on the development of e-government are sparse (De, 2005; Flak & Nordheim, 2006). Building on stakeholder theory highlighting the evidence of the connection between stakeholder management and corporate performance (Donaldson & Preston, 1995), we argue that the management of the interests of the prime stakeholders may reduce the risk of failure of an e-government project and that stakeholder management must be given attention as an essential component in e-government risk management procedure.

This chapter is organized as follow: definitions of e-government and risk management process are presented in section one. Then, in section two, a discussion on the fit between e-government context and stakeholder theory is engaged. Section three seeks to identify stakeholders of e-government projects. Finally, section four proposes an analysis of the impact of each stakeholder on the success of an e-government initiative.