Digitally Enabled Service Transformations in Public Sector: A Review of Institutionalisation and Structuration Theories

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ABSTRACT

In public sector transformation context, various studies have utilised institutional theory as a lens to explore the institutionalisation process of digital-enabled services. While institutional theory contributes towards understanding such transformation, limited explanation is offered on the underlying process, undermining the impact of interplay between institutional structure and actors in shaping organisational norms. Structuration theory has overcome this limitation by examining the creation and reproduction of the behaviours supporting formation of norms, through analysis of structures and actors as change agents. Using a systematic literature review, this paper aims to identify existing research that utilise institutional and structuration theories to study the institutionalisation of such transformation in public sector. The literature findings highlight that the scope of existing research is largely limited to the European context, indicating a need to extend the work beyond this.

Keywords: Digital, Government, ICT, Implementation Challenges, Institutional Theory, Institutionalisation, Public Sector, Structuration Theory, Technology

1. INTRODUCTION

Digital-enabled service transformation (DEST) was originated during the New Public Management (NPM) era in 1990s, where information technology was used to develop better public services by bringing the public sector closer to the private sector performance criteria and practices (Osmani et al., 2012). NPM was initiated as strategic response towards four administrative megatrends and one of them is the utilisation of information and communication technology as operational improvisation tool. The open administrations concept adopted in NPM era was associated with

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disaggregation, rivalry and ‘incentive-based’ had ruined the effectiveness and efficiency of public services, thus destructed the practice.

The cessation of NPM had given rise to the Digital-Era Governance (DEG), which was initiated to change the way public organisations operate, with particular focus given on the delivery system and governance. Following its predecessor, DEG intensifies the usage of ICT as major policy instruments in public sector. Underpinned by the three broad themes of ‘reintegration’, ‘need-based holism’ and ‘digitization changes’, DEG recognized the important role played by information and communication technology (ICT) in the public sector ecosystem, particularly as mediator between government and citizens, as well as its ability to transform the wide range of cognitive, behavioural and socio-cultural activities (Dunleavy et al., 2005 cited in Osmani et al., 2012). As DEG was perceived to potentially realize more transparent, integrated and agile government, the era witness massive managerial and operational transitions in public organisations that revolve around ICT utilisation.

The influence of internet and rapidly evolving digital innovations has spurred radical changes in the landscape of public administration (Al-Busaidy et al., 2011). In the UK for example, exploitation of digital technology by the government is strongly backed by a motive to empower people and communities by enriching the service delivery and communication channel, creating public-value in the digital age (Cabinet Office, 2012). According to El-Haddadeh et al. (2013) the move was also due to economic pressures faced by the government, where the digital-enabled services were seen as solution to reduce operational expenses without discounting service efficiency. Furthermore, it also helped the UK government to establish wider span of control over functions through centralise approach and broader reach-out through online engagement platforms, thus creates a more participative form of government (El-Haddadeh et al., 2013).

As more projects were being implemented, the real issue of how these digital-enabled solutions could be navigated to achieve all of the anticipated goals gradually emerged. Nevertheless being a change catalyst, the dynamic nature of technology has adversely affected the digital initiatives, impeding transformation process and stimulating unanticipated pressures to the organisation (El-Haddadeh et al., 2013). Previous research has shown that implementation of digitally enabled services was often impeded by technology elements – where unanticipated pressures emerged, thus producing uninvited outcomes that alter organization properties (Weerakkody et al. 2013; El-Haddadeh et al., 2013; Diniz et al., 2012; Heinze & Hu, 2005). Furthermore, this argument was in line with an early claim by Orlikowski (1992 cited in Barley and Tolbert, 1997) that human actors tend to use technology differently from its initial purpose to achieve their goals following certain decisions. A seminal example of such a case is the National Programme for IT in the Health Service in the UK. As highlighted by Currie and Guah (2007), NPfIT had failed to be institutionalised in exceedingly complex organisation such as the NHS. Irani et al. (2007) views the online-transaction-medium in public sector as the most critical and challenging, which normally marks a point where a project starts to become more complex.

Many studies have applied institutional theory as lens to examine the process of institutionalising digital-enabled service transformations in public sector (Baptista et al., 2010; Veenstra et al., 2010, 2014). These studies are focusing on two different views: the technological imperative or strategic choices views. These two viewpoints are inadequate to understand the effect of digital enabled service transformation towards actors and organisational structures as digital technology is just an integral part of those structures that shapes and being shaped by the institutional actors (Dillard et al., 2004). Furthermore, it undermines the role and capacity of human actor in creating new structure that permit and constrain actions through series of interplays, which is vital in successful institutionalisation of digital-enabled service transformation. Both perspectives also disregard the fact that social and organisational structures undergo constant change.
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