Chapter XXV
IT Governance in the Public Sector in a Developing Country

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ABSTRACT

This chapter focuses on IT governance in the public sector organizations in a developing country like Tanzania. Today in many organizations in the public sector, the use of IT has become crucial in sustaining and extending the organizations’ strategies and objectives. This pervasive use of technology has caused a critical dependency on IT that calls for a specific focus on IT governance. In this chapter, we provide its overview and, based on the analysis of five case studies indicate the current practices, problems, and consequences in the Tanzanian public sector environment. Moreover, we reveal twelve key issues to consider for effective IT governance together with the trends and future research in improving ICT-enabled transformational government in public service delivery in this environment. In this context, the chapter contributes to an understanding of the IT governance practices and related ICT-enabled transformational government issues and complexities involved in the transformational phase for better public service delivery in a developing country like Tanzania.

INTRODUCTION

Many organizations today, including public sector organizations, rely on Information and Communication Technology (ICT) and continue to make significant IT-enabled business investments (ITGI, 2006). This is due to, among other things, the constantly increasing demand for more efficient and cost-effective services for citizens (G-C)¹, businesses (G-B)² and among public sector orga-
nizations themselves (G-G & G-E)\(^3\) (Amaravadi, 2005; Brown, 2003), and the continued effort to embrace e-government\(^4\) or lately its advanced context of transformational government. This has led to pervasiveness and dependency on IT in current dynamic and often turbulent multiservice provision environments where effective management of IT and its alignment with business goals is essential for success. This required management is also because increasingly there is an integration of ICT evolving challenges related to IT and business strategic alignment, project execution, security assurances, sustainability and handling intra- and inter-organizational relationships and synergies (ITGI, 2007). For example, in a survey conducted by the IT governance Institute (ITGI and PwC, 2006) it was found that the top ten management problems include inadequate view on how well IT is performing, non-alignment between IT and business strategies and the higher cost of IT with low return on investment. Prudent management of such IT environment calls for IT governance, which is the organizational capacity to plan and control the formulation and implementation of IT strategy to ensure fusion of business and IT (Van Grembergen et al., 2003). For example a study at the Centre of Information Systems Research of Massachusetts Institute of Technology (MIT-CISR) on IT governance related issues, indicated that there is a 20% better return on IT-enabled business investments when effective IT governance is in place (Weill & Ross, 2004).

The need for effective IT governance is also becoming essential in the public sector in developing countries, in which increasingly we see a variety of fragmented IT initiatives and activities, with loss of synergies and exploitation of economies of scale. The need is equally amplified by, alongside resources constraints, relatively lower IT literacy, culture and leadership, basic citizens competing needs and priorities. Also on the fact that the sector is complex and its effectiveness is characterized by a need for intra and inter-organizational synergies that call for common and effective strategies, services, communication, collaboration and accountability to multiple stakeholders (Weill and Ross, 2004). These problematic governance related issues in the sector stem from IT strategic planning and implementation to management, support and monitoring (Ndou, 2004; ITGI and PwC, 2006; ITGI & PwC, 2006a; Bakari, 2007). As a result effective integration of ICT and indeed ICT-enabled transformational government in these environments needs consistent strategic alignment of IT and business goals in order to increase efficiency in public service delivery and meet stakeholders’ expectations (Moyo, 1996; Duffy, 2002; Guldentops, 2003).

This chapter therefore looks into these concerns from an IT governance viewpoint, specifically in the public sector in a developing country, as a contribution to the understanding and nurturing of ICT-Enabled Transformational Government for efficient and cost-effective public service delivery. It mainly covers an overview of IT governance and based on five case studies, describes its current practices, problems encountered and consequences in the sector. Moreover, it looks at the key issues to consider for effective IT governance in Tanzanian environment and finally the trends and future research in this area.

**IT GOVERNANCE OVERVIEW**

This section provides an overview to IT governance. The focus is on the strategic alignment between business and IT and its approaches for better value delivery. The first part provides insight into what IT governance entails, while the rest covers the elements for its implementation, metrics and frameworks in practice.

**Defining IT Governance**

IT and its use in business environments have experienced several turbulences and fundamental transformations in the past decades leading to a