New Directions for IT Governance in the Brazilian Government

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ABSTRACT

This article presents an IT Governance Framework and a Competency Model that are being developed to identify the intellectual capital and the strategic actions needed to implement an efficient IT Governance program in the Brazilian Government. This work in progress is driven by the premise that the human assets of an organization should adhere to a set of core competencies in order to correctly prioritize and achieve business results that, regarding government issues, relate to public resources administration. It is now widely accepted that IT Governance may help the organization to succeed in its business domain; consequently, through effective investment policies and correct IT decisions the organization can align business needs with IT resources, achieving highly integrated business services.

Keywords: Business Strategy, Competency, Electronic Government, Human Capital, IT Governance, Knowledge Management

INTRODUCTION

Research conducted in recent years have shown that to efficiently apply IT resources in a well designed and responsible fashion it is important to implement an IT Governance program, in a way that it might permit the organization to maximize the creation of strategic value, and therefore, gain competitive advantage. However, when dealing with governmental affairs, characteristics that are proper to public organizations, such as rigid functional structures, political interests and the ethical use of public resources, must also be taken into consideration.

In many countries, the Government economy share might range from 20% to 50% (Weill, 2004). The Brazilian economy is not different and also has a significant impact on different sectors of the economy, and, as exemplified by the recent National Growth Acceleration Program (PAC), the necessity to control huge amounts of investments imposes new strategic visions and requires new support endeavors (PAC, 2007).

What must be understood is that, with massive Government investments in all economic sectors, how does one establish an efficient
IT infra-structure that must be pervasive and reach to every government sector in order to avoid effort and public resources waste? And mostly, how can IT become a strategic asset for the Brazilian government, helping with the investment process, and consequently improving the quality of its services? To reach a plausible answer, we first need to understand the present Government IT Governance scenario, and then identify ways in which government organizations might benefit from more efficient IT Governance programs, therefore, leveraging public value.

Many are the factors that influence this new vision. Organizations have been reviewing their IT investments, seeking new integration models and strategic use of IT services, in order to come up with better strategies for their business domain problems (Fernandes, 2006). For public organizations such vision directs efforts toward the creation and aggregation of public value. According to Weill (2004), public organizations supply services that must be performed in an effective and efficient way. Such services may be perceived as the real assets that the governmental apparatus represents to the population. Consequently, the incremental optimization of these services allows a sustained evaluation of these public values.

The pursuit of this new vision is orchestrated in the following sections, in which we present what has been done so far, and what is still under research.

**MOTIVATIONS**

We have achieved a new era of competition. Organizations can no longer afford to delegate IT decisions to IT officers. What we see now is an increasing need for business integration, and such integration can only be achieved through strategic business alignment with IT services. At the same time, the organization must be aware that IT investments must be controlled and prioritized since the word of order is to create value while relentlessly reducing costs. In fact, IT elements have become important business assets that not only contribute to achieving business goals, but also revolutionize the organization as a whole (Weill, 1998).

This vision is shared amongst non-profit organizations as well. Considering Government organizations, extreme care should be exercised when using public resources to sponsor public programs. Challenges faced by Government strategists resemble those of private organizations: costs must be minimal as results maximized. Therefore, how can resources be invested without risking failing business goals, or, more specifically, how can governments invest public resources in order to obtain the best results for the taxpayer? IT assets not only contribute to Government actions, but also help coordinate better ways of attending to the needs of the country, whether by means of new services or through the improvement of old ones. In fact it can be used to reinvent the way in which the Government reaches its citizens, and regarding the Brazilian Government, the so called Electronic Government (e-Government) programs are at the top of such actions (MP, 2009).

Information technology is the single largest capital expense in many firms that, when correctly managed, allows the organization to efficiently achieve business goals (Weill, 1998). Seeking that efficiency, the Brazilian Planning Ministry (MP, 2009), in conjunction with the Defense Ministry (MD, 2009) and the Federal University of Rio de Janeiro, strived to create IT Governance directives in order to standardize business and customer needs. By business we mean every public service (public value), from tax collection activities to health care services.

Given the above analysis the following structure has been conceived to (1) understand the current IT scenario of public organizations; and (2) propose the competency model and the governance framework.
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