Chapter XII

The Political Economy of Information Management

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ABSTRACT

Information system development is often seen as a rational process of consecutive design activities aimed at integrated information systems. Especially in settings where actors with varying interests operate, like in the development and use of so-called interorganizational information systems, these rational approaches rarely result in satisfying outcomes. In this chapter, the development of a Research Information System is analyzed in terms of alternative, political views on information management. It is concluded that integration of data schemes should not be an aim for information system development, especially for situations in which interests and objectives vary considerably. Furthermore, in such situations, information system development should be managed as a process in which various stakeholders enter and leave arenas, *rather than as a project.*

INTRODUCTION

In general, development of information systems is seen as a *rational* process of consecutive design activities that, through an orderly process,

results in an information system that can be put to use in organizations (Lyytinen, 1987). Several authors have contributed to various design methodologies and management approaches in which they try to tailor or adjust the original (often waterfall-line design) methodologies to more complex organizational settings, for example by adding feedback loops, learning cycles, and so forth. In a way, this has enabled the design and/or development of information systems (in short, information management) to cope with more complex organizational situations and to model and implement more complex data models as essential backbones of information system development projects.

It has been reported, however, that especially in environments where various actors with various interests are involved in the design process, requirements change rapidly, and goals are not fixed, rational models of information system design do not result in satisfying designs (Davenport, Eccles, & Prusak, 1992; Homburg, 2001; Knights & Murray, 1992; Kraemer, Dickhoven, Tiernet, & King, 1987; Markus, 1983). The development of interorganizational information systems, which are by definition almost always characterized by variety in interests among the participants (Allen, Colligan, Finnie, & Kern, 2000), is particularly prone to endless postponements of project results and power struggles (Homburg, 1999, 2001), which results in information systems that do not meet expectations.

Rational views on information management and rational views on organizational processes, in general, have severe difficulties explaining the power struggles and dissatisfying results that emerge from the development of especially complex, interorganizational information systems. Customarily, failure is traced back in terms of not sticking to the steps outline in specific methodologies ("shortcuts to failure," meaning skipping of stages in specific methodologies) (Pardo & Scholl, 2002). However, this explanation does not address the existence of variety in goals and interests in complex information system development projects, nor does it explain how one should deal with the existence of such a variety.

In this chapter, the principal objective is to demonstrate by means of theoretical and empirical evidence that development and use of information systems is often characterized by political struggle. We focus on the development and use of interorganizational information systems, as the political struggle and variety of interests is most visible there. The theoretical inspiration for this chapter stems from a confrontation of more or less rational information management theories on the one hand, and political and economic organization theories (more specifically, property rights theory) on the other hand.

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