

## Chapter 4.7

# E–Government Implementation: Balancing Collaboration and Control in Stakeholder Management

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### ABSTRACT

As e-government becomes increasingly pervasive in modern public administrative management, its influence on organizations and individuals has become hard to ignore. It is therefore timely and relevant to examine e-governance—the fundamental mission of e-government. By adopting a stakeholder perspective and coming from the strategic orientation of control and collaboration management philosophy, this study approaches the topic of e-governance in e-government from the three critical aspects of stakeholder management: (1) identification of stakeholders, (2) recognition of differing interests among stakeholders, and (3) how an organization caters to and furthers these interests. Findings from the case study allow us to identify four important groups of stakeholders

known as the Engineers, Dissidents, Seasoners, and Skeptics who possess vastly different characteristics and varying levels of acceptance of and commitment towards the e-filing paradigm. Accordingly, four corresponding management strategies with varying degrees of collaboration and control mechanisms are devised in the bid to align these stakeholder interests such that their participation in e-government can be leveraged by public organizations to achieve competitive advantage.

### INTRODUCTION

Corporate governance is intensely debated within strategic management literature (Sundaramurthy and Lewis, 2003). Disputes have persisted over the

optimal configuration of power in an organization to exploit the collective strength of its stakeholders (see Demb and Neubauer, 1992; Sundaramurthy, 2000; Westphal, 1999).

Strategic management scholars, such as Eisenhardt (1989), Hawley and Williams (1996), have argued for procedural controls to curtail the manifestation of self-serving opportunism prevalent among stakeholders. Yet, sociologists suggested that because stakeholders may share an intrinsic desire for self-actualization, they should be empowered to exercise autonomous judgments and be cherished as partners of the governance system (Davis et al. 1997; Donaldson and Davis, 1994). Not surprisingly, these conflicting viewpoints have prompted researchers to seek alternative theoretical approaches that go beyond either direction (see Audia et al. 2000). Among them, Demb and Neubauer (1992) advocate a paradoxical and provocative strategy to corporate governance—one that encapsulates the simultaneous demand for both stakeholder control and cooperation.

Advances in Information Technology (IT) in business processes further complicate corporate governance. Allen et al. (2001) postulated that the emergence of *electronic governance (e-governance)* goes beyond the mere infusion of technologies to encompass novel patterns of managerial decision-making, power-sharing, and resource-coordination. Changes include the induction of adaptive corporate structures, innovative leadership styles, and even a redefinition of business purpose—the entirety of which are made possible and necessary through IT (Allen et al. 2001). Arguably, this study deems e-governance as the embodiment of challenges confronting corporate governance in the realization of an optimal mix strategy of control and collaboration for the maximization of organizational stakeholder value. Aply, we conceive e-governance as the ***effective leverage of IT to strategically manage stakeholders for competitive sustainability***. This definition builds upon scholarly predictions that foresee the future of organizations as intimately

dependent on their capabilities to exploit technological innovations in harnessing competencies within an enhanced network of stakeholder interdependencies (Guillaume, 1999; Prahalad and Ramaswamy, 2000).

These managerial implications of e-governance are not exclusive to the private sector (Allen et al. 2001; Seavey, 1996). Pablo and Pan (2002) noted similar IT-induced reformations in public administration. With a renewed strategic focus on external stakeholders as partners in the governing process (Wimmer and Traummuller, 2000), this modernized strategy to public management promises expanded citizen-centric functionalities through IT integration, and has been popularly termed “*Electronic Government (e-government)*” (Stratford and Stratford, 2000). This promoted Aichholzer and Schmutzer (2000) to maintain that the appreciation of e-transformation in public administration should entail a corresponding reconceptualization of the underpinning governance system.

The study of e-governance in e-governments thus offers an excellent opportunity to explore efforts by public institutions to redefine their tactics in IT-enabled stakeholder management. We adopt an e-governance perspective to examine the Electronic Tax Filing (e-filing) system, a pioneering e-government initiative of the Singapore government. By means of a case study, we seek to unveil the strategic elements of effective e-governance that will promote economical and efficacious elicitation of stakeholder value. Furthermore, we considered the significance of an e-governance vision in developing e-government initiatives and in structuring policy decisions within the public administration.

This chapter comprises seven sections. The second section offers a conceptual overview of the current status of research in the domains of e-government and corporate governance. It underlines our theoretical impetus for synthesizing knowledge from these domains to better understand stakeholder management in developing e-government initiatives. The third section discusses

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