

IT Governance:

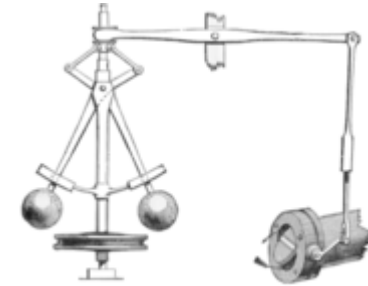
The Differences Between

Private and Public Sectors

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Governance & Management

Governance : oversight of the system of roles and responsibilities created to regulate an organised human activity



Management : control and operation of the processes and metabolism of an organised human activity

Dimensions of Difference

Governance

Whole-of-organisation

External

Future

Strategic

Benefit Realization

Wise investment

Delegation

Management

departments & individuals

Internal

Present

Operations & Projects

Cost & Quality

Budget accountability

Hands-on

IT Governance & Management

Governance

Board level

Alignment of IT with goals

Necessarily part of organisation

Quarterly - KPIs & Risk

Management

CEO through CIO / CTO

Internal projects & infrastructure

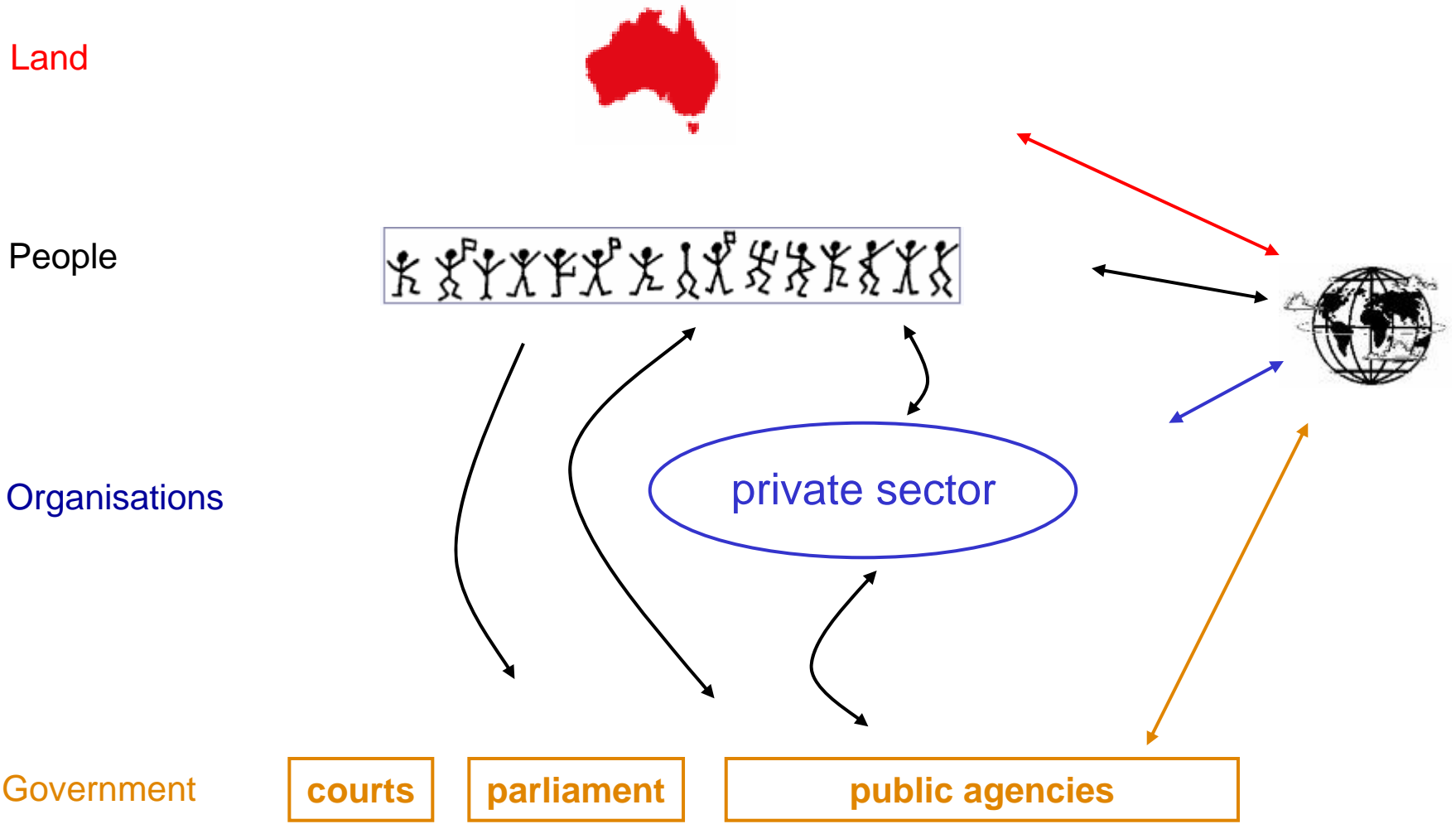
May be outsourced

Daily

Board members have a duty to come to an understanding of the risks (financial, reputation, etc) investment (universities typically spend 15% of budget on IT)

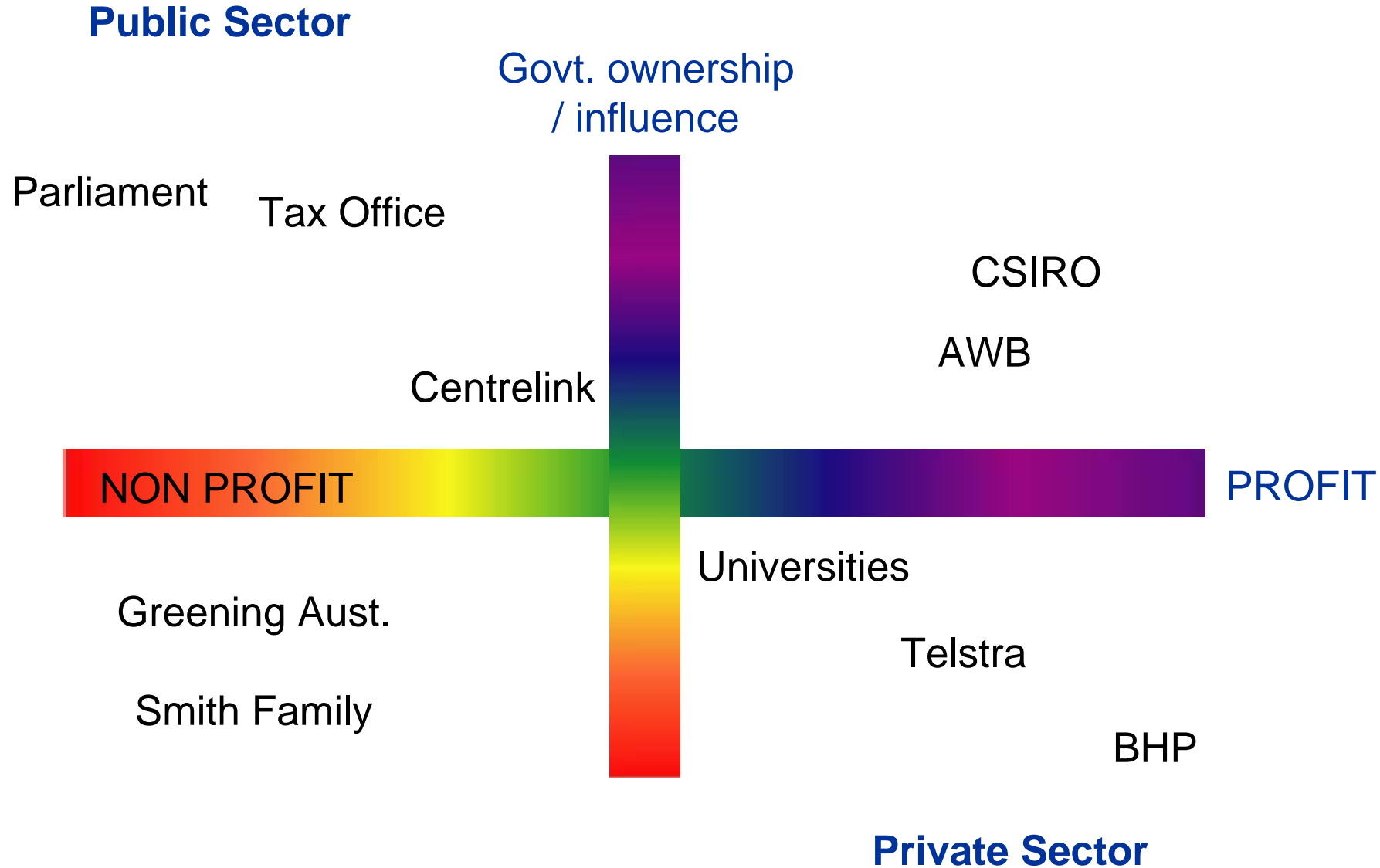
This responsibility may be executed by a board level IT strategy committee

Public & Private



People: politics, democracy, tax, services, police *Organisations:* regulation, business

Public & Private



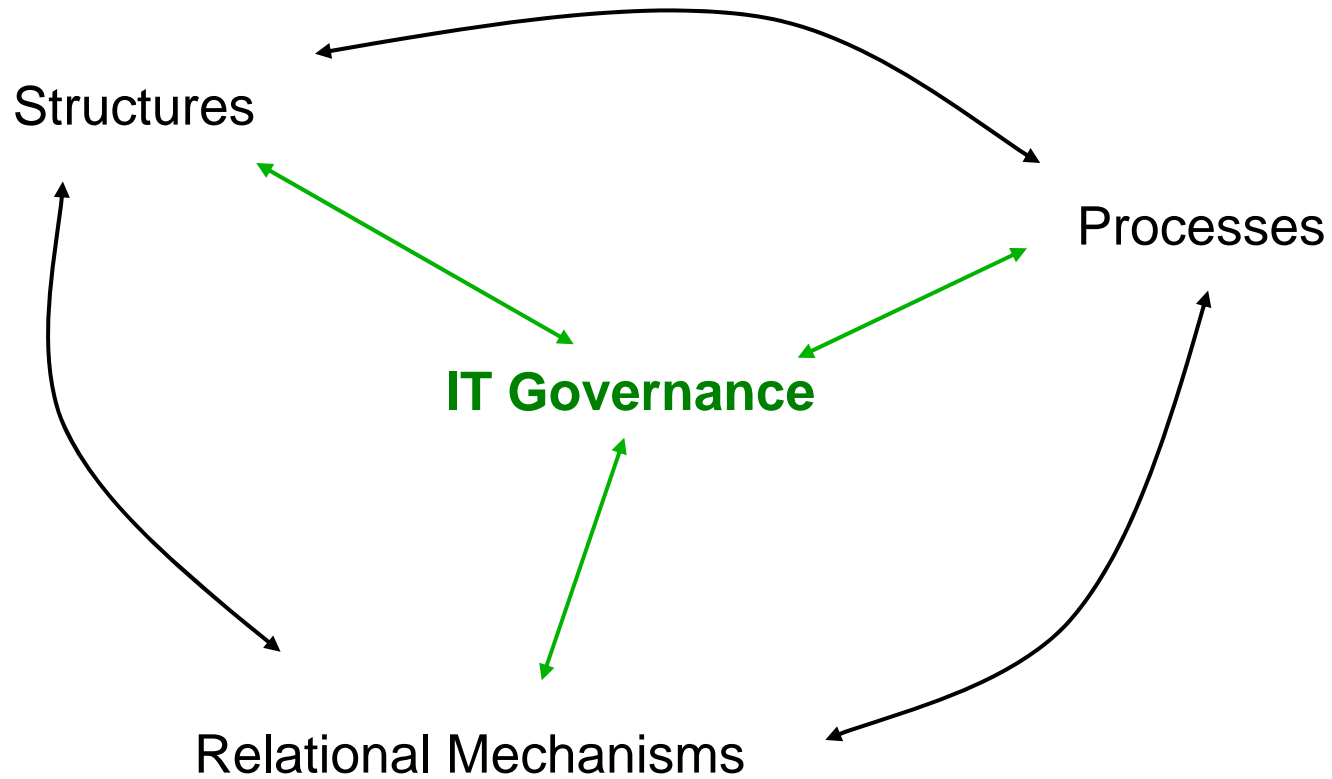
Dimensions of Difference

	Sector			
	Public		Private	
	Public service	Semi-Government	Non-profit	Private
Goals	Multiple and intangible	Multiple and tangible	Multiple	Specific and tangible
Product	Provide services and public goods	Sell services	Provide services	Profit
Achievement measured by	Political efficiency & achieving policy mission	Sustainability of service provision	Achieving mission	Financial profitability and efficiency
Environmental	Less incentives for productivity	May have more incentives than government	No incentives, uses volunteers	More incentives
	More legal and formal constraints – red tape	Less formal constraints	No red tape	No red tape
	Political influences	Some political and market influences	Free of influences	Market influences
Proprietary versus shared IT	Shares IT resources, applications and technical help	IT is proprietary to give an edge	Lacks in sharing of resources	Treats IT as proprietary to stay ahead and competitive

IT Decision Making

Sector		IT Investment	IT Architecture	IT principles	IT infrastructure
Public		IT monarchy	Feudal /Business monarchy	IT monarchy	Business & IT monarchies
Private	For-profit	Federal	Feudal/Business Monarchy	Anarchy (business unit managers)	Business monarchy
	Non-profit	Business monarchy	IT monarchy	IT monarchy	IT monarchy

IT Governance Framework



1. IT Structures

Apparently similar structures
(eg. formal business ownership of projects)
other things being equal (size, etc)

But

Government exhibits interdependence
allowing shared services
(eg. AGIMO & the Aust. Gov. Architecture)

vs

Market differentiation through IT

2, IT Processes

Again apparently similar bureaucracies (other things being equal)
(eg, business case, IT Balanced scorecard, IT governance maturity model)

But

Government has a responsibility for specialised data interchange
(eg. ATO's e-tax) and webservices (eg ABS, Geoscience)

Oriented towards meeting societal obligations rather than a
\$ bottom line

Said to be comprehensive and methodical

vs

Private sector market signals and other ephemeral considerations



3. Relational Mechanisms

Again apparently similar, collaboration and engagement being essential (outsourcing experiences)

Internal relationships:

CBA outsourced its IT services & retained internal relationship managers

The Government has legislative power to compel compliance,
But it recognised that there are more effective ways!

Government 'transformation' by the use of ICT.

e-Government Transformation

Surface

Changes in modality of business, but not in structure or function

Intermediate

Challenges the organisational structure of government – stakeholder, rather than agency functional focus

Deep

Challenges the government – citizen relationship

Transformation 1: Surface

Raises questions about methods and processes.

Aims at improved efficiency and effectiveness of agencies in carrying out their programs

Typical examples:

1. Information provision (web pages)
2. Download / upload communication (e-Tax)
3. Transactions (Archives purchase)
4. Identity required systems (GAMS)

Drivers:

Technology Push

Whole of Government

Career advancement of decision makers ?

Transformation 2: Intermediate

Intermediate Transformation questions institutional structures and the whole-of-government, inter-operating, Public Service veneer.

Different agencies interact in different ways with the same set of stakeholders (be it a person, an organisation or a group of organisations, or state or local governments).

But it is not the stakeholders that are the focus, but the acts parliament and the regulations and programs that define the isolated conceptualisations and organisational structures that make up the APS

Transformation to a *Stakeholder-oriented Architecture* as different from an agency-oriented architecture. Each entity such as a citizen or firm has an electronic object which participates as a surrogate for the entity in dealing differently with requests from government agencies (for example, the ATO asking for information about income and deductions) and initiating requests for information or action (eg. customs, disability service providers, etc)

Transformation 3: Deep

Deep transformation questions the 'agency' of stakeholders in the role and scope of government itself. Systems can be constructed which would allow genuine transparency of government activity and actual collaborative stakeholder policy development, implementation and evaluation.

The technology exists to support a high degree of transparency in government activity, but that capability will only be utilised in a 'freedom of information' context, not under a 'need to know' regime.

'Agent-oriented' Architecture - Each entity such as a citizen or firm has an electronic agent, an 'avatar', which, like the object in at an Intermediate Transformation, participates as a surrogate for citizens and organisations.

Citizen Participation

‘Transformation’

Transformation is foremost a continuing process that does not have an end point. It is meant to create or anticipate the future. *Transformation* is meant to deal with the co-evolution of concepts, processes, organizations and technology. Change in any one of these areas necessitates change in all. *Transformation* is meant to create new competitive areas and new competencies. It is meant to identify, leverage and even create new underlying principles for the way things are done. *Transformation* is meant to identify and leverage new sources of power. The overall objective of these changes is simply – sustained American competitive advantage **in warfare**.

This paper looked at:

Governance & Management

Private & Public

IT Governance – differences & similarities

1. The private / public distinction needs to be spelled out in empirical IS research – it makes a difference
One Size Does Not Fit All
2. More research is needed to elaborate and specify the different contexts – this paper shows that private sector research does not translate unproblematically to the public sector
3. Technologies can embody “Liberal democracy”
or can be applied equally to embody other forms of society,
or can be used to undermine

These issues dwarf traditional IT Governance



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