E-Government and Organisation Development

CPMR Discussion Paper
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Development

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Foreword

This paper is the twenty-eighth in a series undertaken by the Committee for Public Management Research. The Committee is developing a comprehensive programme of research designed to serve the needs of the future developments of the Irish public service. Committee members come from the following eight departments: Finance; Environment, Heritage and Local Government; Health and Children; Taoiseach; Transport; Communications, Marine and Natural Resources; Social and Family Affairs; Office of the Revenue Commissioners and also from Trinity College Dublin, University College Dublin and the Institute of Public Administration.

This series aims to prompt discussion and debate on topical issues of particular interest or concern. The papers may outline experience, both national and international, in dealing with a particular issue. Or they may be more conceptual in nature, prompting the development of new ideas on public management issues. They are not intended to set out any official position on the topic under scrutiny. Rather, the intention is to identify current thinking and best practice.

We would very much welcome comments on this paper and on public management research more generally. To ensure that the discussion papers and wider research programme of the Committee for Public Management Research are relevant to managers and staff, we need to hear from you. What do you think of the issues being raised? Are there other topics you would like to see researched?

Research into the problems, solutions and successes of public management processes and the way organisations can best adapt in a changing environment has much to contribute to good management, and is a vital element in the public service renewal process. The Committee for Public Management Research intends to provide a service to people working in public organisations by enhancing the knowledge base on public management issues.

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General information on the activities of the Committee for Public Management Research, including this paper and others in the series, can be found on its website: www.irlgov.ie/cpmr; information on Institute of Public Administration research in progress can be found at www.ipa.ie.

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Executive Summary

Background

Ireland has performed relatively well in a number of recent e-government benchmarking exercises. However, such benchmarking surveys do not delve behind the headline figures to look at the consequent degrees of impact of information and communication technologies (ICT) on organisation development and change. This study attempts to examine some of the organisation development issues and structural changes that e-government calls for and sets in motion. The study set out to obtain a clearer understanding of e-government and organisation development; to paint a picture of the developmental stage that Ireland has reached; to compare good practice examples at different levels of government in Ireland and to point out ways in which the e-government agenda can be further shaped and advanced.

This study presents an overview of the synergies between organisation change and ICT developments. It provides important insights into the way e-government is planned, implemented and evaluated at organisation level. It also gives an opportunity to examine theories of e-government progress and organisation development issues. By identifying the success factors that contribute to transformation of services into the e-environment, the study reveals important lessons for organisations that are embarking on similar processes.

The main focus of the study is on how the existing organisations and networks engaged in e-government policy development and implementation can be encouraged to work towards effective organisation development and change.

Evidence for the study findings was obtained from three main data sources: a review of national and international documentation; a series of key informant interviews with individuals involved in developing e-government initiatives that have led to organisation development in the public sector in Ireland; and a review of a small number of e-government initiatives (case studies) which have engendered organisation change. Six public sector organisations were selected as good practice examples: the Civil Registration Service Modernisation Programme; Donegal County Council and the Integrated Service Delivery Project; the Land Registry Change Programme; the Department of Social and Family Affairs Modernisation Project; the Civil Service and Local Appointments Commission (CSLAC) Modernisation Programme; and the Collector General's Office, Office of the Revenue Commissioners. Details of the individual case studies are outlined in Appendices 1 to 6.

Ensuring organisation transformation: key factors in promoting change

Information from the literature reviewed, the case studies and the key informant interviews are discussed in detail in Chapters 2 to 5. In summarising the main findings, a number of key factors are identified as crucial in ensuring that organisation change arises from the application of ICT developments.

Identifying and using an overarching driver of change: creative use of a crisis and/or the modernisation agenda

The case studies examined outline a number of factors that determine why and how organisation changes happen. One significant factor is the presence of an overarching driver of change that stimulates the desired changes. One such driver is the modernisation agenda in the public sector, which advocates greater efficiencies at both intra- and inter-organisational levels. Another pertinent driver is reaction to a crisis, generated by such factors as outdated structures, or old technology systems which cannot cope with increasing demands on services or meet growing customer

expectations. In some cases studied, both of these factors were catalysts of change. Change agents can use such drivers to leverage change. In particular, the embryonic linkage between pay and performance as part of the modernisation agenda at the national partnership level under *Sustaining Progress* (2003) provides the basis for a strong incentive to promote e-government facilitated organisation change. The key point here is that to leverage change, it is important to make creative use of overarching drivers of change, whether these come in the form of crises or opportunities.

Building a business case that includes planned organisation change targets

Several of the case study organisations and recent literature highlight another pertinent factor of change: the need for a strong business case both to underpin and, crucially, to communicate the benefits of the change process. The use of planned organisation change targets sustains the momentum of change. The use of a business case model, the assignment of an organisation change specialist/project manager to instigate a plan and oversee its phased developments and the use of milestones/indicators as benchmarks of progress can all ensure a smoother change process. Several key informants for this study advocate that there should be an obligation on organisations to set out a business case model to ensure effective transformation. In developing the business case, shared services and outsourcing may provide additional opportunities in implementing e-developments, and in alleviating skills limitations within the public service.

Providing strategic leadership and management commitment

A very important element of the change process involves the buy-in and commitment of senior management to the transformation process. The instigation of joint e-government/organisation development initiatives is a medium to long-term process and requires ongoing commitment by management over a significant number of years. The importance of strategic leadership to sustain the momentum of the process cannot be undervalued in terms of

a successful outcome for the organisations examined in this report.

Ensuring and delivering effective project management

The importance of a structured approach to change is advocated by the organisations we examined in this study. At the outset of the change process, many organisations established a project steering group or employed a project manager supported by the senior management team to instigate the change process. A multi-phased project management plan was implemented by most organisations, and benchmarks were either instigated at the outset or during the change process. These benchmarks should be related to the organisation change targets set out in the business case. Risk management is an important aspect of project management. Also, as part of the project management process, it is important that the capabilities of participants are taken into account and plans to address limitations put in place, through training and development supports, contracting out and so on.

Building inter-agency relationships

The introduction of new technologies has enabled greater communication flows and knowledge management within the public sector. This has enabled co-operation between and within organisations at a greater pace and level than heretofore. The management and exploitation of these new communication flows necessitates a re-examination of administrative structures and location; and may lead to a re-examination of the purpose of a number of public service organisations. The efficiencies provided by the new technologies will engender a re-examination of administrative structures and location. This is important in terms of regionalisation/decentralisation of organisation structures, where communication links will become paramount. In managing organisation change arising from e-government, it is important to recognise that managing the inter-organisational aspects of change is at least as crucial as managing the internal organisational arrangements.

Involving the main stakeholders (partnership - internal, consultation - external)

Most of the cases studied involved both the internal and external customer in the change process from the outset. Internally, the partnership model enabled the difficult issues of change to be monitored and resolved on a regular basis in a consensus approach. Lack of attention to human and organisational aspects are significant factors, which can undermine ICT investments. The case study organisations in this report underline the importance of partnership and involving the stakeholders at all levels in the process. Where organisations found difficulties related to implementation of new technologies or structures it was often because the change was not communicated with staff at the outset.

Providing long-term commitment

To facilitate the successful transformation of organisations there is a need to ensure commitment over the long-term. In this context, it is difficult to sustain the momentum and commitment of management and staff over a number of years unless there is a clearly laid out vision, a business plan with directional indicators, a partnership process to involve stakeholders and a drive and 'buy-in' by leadership to the complete process over the long term.

Encouraging experimentation

The returns on e-government investment may not be clearly evident in the short to medium term; indeed, a certain amount of risk may be needed to fully realise the potential for transformation of public services and to exploit the efficiencies that are possible through innovative structures and technologies and to ensure real quality service to the customer. These risks can be minimised by experimenting with different approaches and mainstreaming those that show significant benefits.

Conclusions

A central message coming out of this study is that organisation change arising from ICT developments is far

from being simply a technical issue. Introducing ICTs and just assuming that changes in organisation culture and practice will follow is a recipe for inertia and inaction. Rather, organisation changes arising from the introduction of ICTs must be explicitly planned for. In this context, it is necessary that those involved in the change process be aware of the broader issues that need to be managed above and beyond the introduction of ICTs themselves (these broader issues are set out in Figure 6.2 in the main body of the paper).

The governance and values issues that inform the way business is done set the the context for the change. To achieve success in driving e-government in the future, several key informants advocated the need for a centre of leadership to clearly and visibly drive the e-government agenda and to achieve buy-in by public service leaders. Also helpful from a broad governance perspective would be the continuance of the explicit linkage between pay and performance established under *Sustaining Progress* (2003). Such a linkage can act as an important anchor for securing organisation change, when linked with verification of change. Organisation change should, in this context, be an explicit goal of ICT-enabled changes arising as part of the modernisation agenda. Similarly, it would be helpful if the Information Society Fund were to require targets/indicators of organisation change in terms of measuring returns on the investment.

A vital aspect of change is managing the people issues: the need to get the right people in place to manage the projects and bring about change. As noted earlier, the change agent role is a crucial one. The current supports for policy analysts being co-ordinated by the Centre for Management and Organisation Development (CMOD) is aimed at producing staff with skills and competencies that are appropriate to this change agent role. Drawing on this expertise in the future could further facilitate successful change.

The management of process issues is where the ICT developments themselves are to the fore. ICTs can be used

to promote functional integration within organisations and also across organisations. The planning processes needed to support ICT-enabled change are also vital here, particularly the need for the development of a sound business case and effective project management, as outlined earlier. Projects should be required to identify and enumerate the proposed benefits arising from planned organisation changes arising from ICT development. Rationalisation of process and data management is also required, with the use of shared services being used as appropriate to enhance efficiency.

Regarding policy and programme issues, ICT-enabled change calls for more administrative and programme integration: improving the design and co-ordination of a range of related administrative practices and operational programmes to better meet service user needs. The full impact of ICT developments will not be gained by organisations if they are imposed on old policy and programme structures and processes.

The presence of learning and accountability issues highlights the need for tangible measurement of ICT developments in terms of their value to society. Governments must regularly evaluate the progress and effectiveness of their e-government investments to determine whether stated goals and objectives are being met on schedule. This includes organisation change goals and objectives. This requires, for example, personnel or efficiency savings targets to be clearly enunciated at the business case development stage and clear targets set for their achievement during implementation.

Finally, with regard to quality service delivery issues, there is a need to take a serious look at service delivery channels and examine the opportunities for outsourcing, partnerships and the like to create empowered cross-organisation and inter-organisation relationships that more effectively address service user needs. The configuration and re-configuration of organisations will be affected by ICT- enabled change. Such issues are particularly important in the context of decentralisation.

To summarise, transforming the organisation landscape is a strategic challenge that involves focusing on the whole business change, not just the ICT aspects.

1

Introduction

1.1 Research background

The first CPMR study of e-government (Timonen et al.,
2003) explains the concepts of e-government and
decentralisation, and how the two concepts relate. The study
notes that e-government is an area that develops at a rapid
pace compared to most other areas of public policy and
public sector reform. In many ways, it can be seen as the
engine that drives changes in other areas such as organisation
reform and improvements in customer service. As *New
Connections: A Strategy to Realise the Potential of the
Information Society* (2002) outlines, e-government is
increasingly seen as a key determinant of national competi-
tiveness.

Holden et al. (2003) acknowledge that some
characteristics of e-government (especially prescriptive
ones) purport that e-government has the potential to cut
across geographic, organisation, and disciplinary boundaries
and be a driver of organisation transformation and business
process re-engineering: 'E-government is a major paradigm
shift in the way that government and public administration
are to function' (UNTC Occasional Papers Series, No.1,
2002). Timonen et al. (2003) draw attention to the fact that:

> ... the proliferation of many e-government initiatives and
> the lack of joined-up e-government mean that one of the
> most urgent tasks consists of *integrating and co-
> ordinating* e-government in Ireland. This in turn requires

clear strategic vision and leadership, and presents a major organisation development challenge for the public sector as a whole ... This organisation change is necessary for successful application of e-government in improving service delivery and in making internal administration and policy making more effective.

McDonagh (2002) emphasises this point: 'the scale of organisation change required may be beyond anything Government has previously experienced'. This study attempts to examine some of the organisation development issues and structural changes that e-government calls for and sets in motion.

1.2 Study terms of reference and research approach

At its meeting in February 2003, the CPMR agreed to the commencement of a new study focusing on e-government and organisation development with the following terms of reference:

(a) An examination of the national and international literature in relation to the organisation development aspects of e-government-led change.

(b) An update of the developing national policy and infrastructural contexts for the promotion of e-government within Ireland and within Irish public service organisations.

(c) A detailed examination of instances of good practice, and leading practices, within the civil service and also the wider public sector, in relation to significant organisation change as part of the adoption of e-government solutions.

(d) A thorough review of lessons learnt in respect of how the organisation development aspects of e-government might be furthered more effectively within the Irish public service, so as to provide good practice guidance for managers.

The main focus of the study is on how the existing range of organisations and networks engaged in e-government policy development and implementation can be encouraged to work towards effective organisation development and change. Three main data sources are used:

- *Case studies.* Here, a review took place of a small number of e-government initiatives which have resulted in organisation change. The aim is to identify lessons of good practice with regard to policy development which have general applicability, as well as the identification of pitfalls to be avoided. The cases studies selected are as follows: the Civil Registration Service; the Department of Social and Family Affairs; the Civil Service and Local Appointments Commission; the Land Registry; Donegal County Council and the Integrated Services Centres; and the Collector General's Office, Office of the Revenue Commissioners (see Appendices 1-6).

- *International initiatives.* Derived from a literature review and web searches, and from OECD literature on experiences of other countries in developing initiatives to promote organisation change, aspects of e-government initiatives are analysed.

- *Key informant interviews.* A small number of interviews were undertaken with people involved in developing e-government initiatives that have led to organisation development in the public sector in Ireland. As well as key personnel in a range of government departments, other organisations were also involved.

The study provides important insights into the way in which e-government is planned, implemented and evaluated at organisation level. It also provides an opportunity to examine theories of e-government progress and organisation development issues. Through identifying the success factors that contribute to transformation of services into the e-environment, the study reveals important lessons for organisations that are embarking on similar processes.

2

E-government and organisation development: an overview

2.1 Introduction

Ireland has performed relatively well in a number of recent e-government benchmarking exercises. For example, in February 2003, the recent e-government benchmark study by Cap Gemini Ernst & Young ranked Ireland second behind Sweden in terms of the sophistication of services online (http://www.cgey.com/news/2003/0206egov.shtml). 'In the context of the e-Europe Action Plans in a fourth assessment of seventeen european countries on electronic service delivery across twenty online public services, Ireland was rated joint second with Denmark and behind Sweden on the online sophistication of its services' (New Connections, 2nd Progress Report, April 2004). However, these benchmarks provide only a relatively superficial picture of the complex process of making public services available online. In particular, such benchmarking surveys do not delve behind the headline figures to look at the consequent degrees of impact of information and communication technologies (ICT) on organisation development and change. At the launch of the e-government benchmark study, the European Commissioner Erkki Liikanen stated that 'e-government in Europe should now focus more closely on the transformation of government authorities into customer-oriented service providers'.

Murphy (2002) in a working paper published by the OECD Directorate for Science, Technology and Industry emphasises that organisation change is key to realising

benefits from ICT, while ICT in turn contributes to implementing organisation change, necessitating combined investments to raise productivity growth. Similarly, Muid (1994) outlines that 'on the one hand the doctrines of new public management seek to reform the business of government: on the other hand informatization acts as a catalyst for change and enables business transformation'. Seamus Mulconry of Accenture Consultants reiterates this point in terms of the Irish experience: 'e-government should be seen as a catalyst for modernisation of the public service … it is really not about putting all services online' (as quoted in Smyth, 2003). Murphy (2002) further outlines the importance for OECD enterprises of implementing organisation changes so as to maximise the benefits from new technology, particularly information and communications technology (ICT) and to realise productivity increases from investments in both tangible (plant, equipment) and intangible (research, training) assets. The working paper also notes that the incidence of organisation change has been highest in the service sectors.

The aim of this chapter is to examine the theoretical background of changes in ICT on organisation development. The chapter starts by defining what we mean by organisation change. The drivers of organisation change are then outlined. The synergies between ICT and organisation development are assessed in both a private and public sector context. The drivers and barriers to organisation change and ICT are examined.

2.2 The relationship between organisation change and ICT

In thinking about the relationship between organisation change and the introduction of ICTs, it is helpful to understand the environment within which change takes place. More realistically, it is important to understand the multi-dimensional environments that exist and how they influence change. Figure 2.1 portrays the idea of an organisation as systems operating in multi-dimensional environments. The temporal environment concerns

Figure 2.1 The organisation system in multidimensional environments

Technological influences

The Organisation

Formal subsystem
management
strategy
goals
structure
operations
technology

Informal subsystem
culture
politics
leadership
staff skills

Socio-cultural influences

Political-legal influences

INTERNAL ENVIRONMENT

Economic influences

EXTERNAL ENVIRONMENT

TEMPORAL ENVIRONMENT

Source: adapted from Senior, B (2002), p. 27

historical developments bringing changes over time. These may be general cyclical changes or changes associated with the particular history of the organisation. The external environment includes the political, economic, socio-cultural and technological influences (often referred to by the mnemonic PEST (Johnson and Scholes, 1999)). The internal

environment covers both formal management systems and the more informal aspects such as culture and leadership styles. The key point here is that, in instituting technologically driven change, all the other factors in the different environments must be taken into account in determining the influence of change on the organisation.

Murphy (2002) defines organisation change as firm-level modifications of structures, work interactions and human resource practices, affecting both internal business processes as well as relationships with customers and other firms. She further emphasises that there is a mutually beneficial relationship between organisation change in firms and ICT investments and also suggests that organisation change can vary in scope and intensity. Her paper points out that information technology is instrumental in facilitating new organisation approaches, from lean production to teamwork to customer relations. She also states that organisation change is needed to realise the full benefits of information and communication technology. The paper suggests that the level of efficiencies will be determined by how ICT and workplace organisation are combined within a firm. In particular, she pinpoints enhanced communication, teamwork and training as needed to realise the benefits from ICT investments.

Change may be relatively superficial when restricted to the introduction of specific work practices or, alternatively, far reaching when radical work reorganisation is implemented that affects firm boundaries, e.g. through outsourcing and networking. Dunphy and Stace (1993) have categorised four different scales of change that are possible (see Figure 2.2). Murphy (2002) indicates from evidence that, in the absence of higher-order organisation change, enterprises may fail to realise the benefits of ICT.

A UN sponsored paper on e-government reports that the relationship between information technology and organisation change has been extensively analysed in the private sector. Some of the findings are found to be relevant in the public sector as well, e.g. the flatter organisation with less hierarchical levels, the enablement of decentralised

Figure 2.2 Defining the scale of change

Scale Type 1: Fine tuning
Organisation change which is an ongoing process characterised by fine tuning of the 'fit' or match between the organisation's strategy, structure, people, and processes. Such effort is typically manifested at department/division levels and deals with one or more of the following:
- Refining policies, methods, and procedures.
- Creating specialist units and linking mechanisms to permit increased volume and increased attention to unit quality and cost.
- Developing personnel especially suited to the present strategy.
- Promoting confidence in the accepted norms, beliefs and myths.
- Clarifying established roles and the means of allocating resources.

Scale Type 2: Incremental adjustment
Organisation change which is characterised by incremental adjustments to the changing environment. Such change involves distinct modifications (but not radical change) to corporate business strategies, structures, and management processes, for example:
- Shifting the emphasis among products.
- Improved production process technology.
- Adjustments to organisation structures within or across divisional boundaries to achieve better links in product/service delivery.

Scale Type 3: Modular transformation
Organisation change which is characterised by major realignment of one or more departments/divisions. The process of radical change is focused on these subparts rather than on the organisation as a whole, for example:
- Major restructuring of particular departments/divisions
- Work and productivity studies resulting in significantly reduced or increased workforce numbers.
- Introduction of significantly new process technologies affecting key departments or divisions.

Scale Type 4: Corporate transformation
Organisation change which is corporation-wide, characterised by radical shifts in business strategy, and revolutionary changes throughout the whole organisation involving many of the following features:
- Reformed organisation mission and core values.
- Altered power and status affecting the distribution of power in the organisation.
- Reorganisation – major changes in structures, systems, and procedures across the organisation.
- Revised interaction patterns – new procedures, work flows, communication networks, and decision-making patterns across the organisation.

Source: Dunphy, D. and Stace, D. (1993), 'The strategic management of corporate change', *Human Relations*, Vol. 45, No.8, pp.917-18.

operation based on revolutionary communication technologies, the transformation of hierarchical structures based on networks, the creation of new horizontal and strategic autonomous agencies etc (United Nations Thessaloniki Centre Occasional Paper Series, 2002). The paper concludes that evolving technology radically affects public organisations not only by reengineering current processes and structures but by also inducing fundamental changes to the state's strategic role.

Bellamy and Taylor (1994b) accept that IT in public administrations presents nascent opportunities to reduce costs and to increase efficiency, but also to adapt bureaucracy to the needs of the customer. The paper suggests that 'in these ways IT is identified as the key to the reinvention and, indeed, to the reinvigoration of public administration'. (This point is also made by Dutton, O'Connell and Wyer, 1991; Muid 1992; and the OECD 1992). An Information Society Commission (ISC) Report (2002) says that 'the potential of e-government developments to support transformation in traditional business processes has important implications that must be addressed as a key element of the overall process of public sector modernisation and reform'. The ISC Report recommends that 'Government needs to develop appropriate arrangements to ensure that the assessment of the return on e-government investments captures both tangible and intangible benefits'.

2.3   Types and levels of organisation change

Murphy (2002) classifies firm-level organisation change into three broad streams: the restructuring of production processes; management systems and employee involvement schemes; and external re-organisation emphasising customer orientation, outsourcing, and firm networks and other collaborative arrangements (see Figure 2.3). The paper explains that internal re-organisation typically affects the organisation of production approaches and work practices compared to external re-organisation which is associated with the improvement of relations with customers and other

Figure 2.3 Types of organisation change

Production approaches	Management practices	External relations
Total quality management	Decentralisation	Outsourcing
Lean production	Teamwork	Customer relations
Just-in-time	Knowledge management	Networking
Business re-engineering	Flexible work arrangements	
	Flexible compensation	

Source: Murphy (2002)

firms. In practice, firms tend to apply an eclectic set of organisation practices, often spanning the three broad streams.

In introducing these types of organisation change, various change strategies may be used. A number of writers have developed different models that are based on a planned set of successive steps or phases that must be followed in order to bring about organisation change. These are often based around Lewin's (1958) three step model of unfreezing-change-refreezing. But Burnes (1996b) cites a number of criticisms that have been levelled at the planned change models, which are worth noting here:

- They are based on the assumption that organisations operate under stable conditions and can move from one stable state to another in a pre-planned manner. However, both Garvin (1993) and Stacey (1993) argue that such assumptions are increasingly tenuous and that organisation change is more a continuous and open-ended process than a set of discrete and self-contained events.

- The planned change models emphasise incremental or small-scale change and so are not applicable in situations that require rapid radical and/or transformational change.

- They are based on the premise that common agreements can be reached, and that all parties involved in the

change process are interested in and support the change initiative. The planned change models largely ignore the realities of organisation conflict and politics.

By way of contrast, the emergent approach to change management, as advocated by both Dawson (1994) and Wilson (1992), is based on the premise that the planned model of change management has limited application in a turbulent business environment that is characterised by uncertainty and complexity. Burnes (1996b) in a review of the major proponents of the emergent change model identifies some of the main tenets of the emergent change thesis:

- Organisation change is perceived as a continuous process of experimentation and adaptation aimed at matching an organisation's capabilities to the needs and dictates of a dynamic and uncertain environment.

- While comprising many small and incremental changes, over time the change process can constitute major organisation transformation.

- The key role of managers in this change scenario is to create and/or foster an organisation structure and climate which encourages and sustains experimentation and risk-taking, and to develop a workforce that will take responsibility for change and implementing it.

- Managers are also charged with creating and sustaining a vision of what the changed organisation scenario might be, so that successive change initiatives can be judged against this vision.

- Central to this change initiative are the organisation activities of information gathering, communication and learning.

A cursory examination of much of this emergent change management literature might lead to the conclusion that this emergent change model is based less on change management principles and more on the burgeoning 'learning

organisation' literature – or indeed vice versa – since both sets of literature depict an organisation that is environmentally driven to adopting a continuous process of transformation and development.

Bovaird (2003) points out that the need for organisation change in the public sector is not widely questioned. He sees the push for ICT-enabled organisation change as being driven primarily by (a) proponents of new public management (NPM) reforms, or (b) proponents of 'public governance' reforms. NPM proponents primarily see organisation change in terms of issues such as the re-design of organisation processes around the needs of the customer and a belief in the supremacy of market-based procurement approaches. Public governance influenced proponents primarily see organisation change in terms of meeting the holistic needs of citizens and changes to authority relationships between professionals and service users.

Bovaird (2003) also analyses the debate on the pace of ICT-enabled organisation change in the public sector. He informs us that the proponents of radical redesign in public services suggest major rethinking – e-enable the right processes rather than the existing processes. He underlines that if this tendency were dominant, significant convergence would be likely to occur in the organisation structures and processes of public agencies and public services. Bovaird indicates that the Best Value reviews conducted in UK local government are showing up a number of areas where current organisation structures and processes are clearly not justifiable or sustainable, but they are not pointing clearly to one single way forward for the future (Bovaird and Halachmi, 2001). He also emphasises that it is far from clear that public agencies have the capacity for specifying and implementing radically new ICT systems even if they agree what is needed – major failures continue to be prevalent in this area.

2.4 Drivers of organisation change/ICT

Murphy (2002) found the need to facilitate adoption of new technologies, particularly ICT, was ranked far lower than market forces in surveys of drivers of organisation change. She adds that this may reflect a lack of awareness of the synergies arising from joint implementation of organisation change and ICT. However, the paper indicates that 'the adoption of ICT requires a flexible organisation at the same time that ICT increases the capacity to implement work flexibility. Organisation change can be a principal motivator for the introduction of new technology, just as obsolete technology can hinder the adoption of new organizational practices'.

In the private sector the main driver of organisation change is the need for firms to adapt to changing competitive conditions. But how does this relate to a public sector environment where competition does not exist in many of the areas of service provision. What drives organisation change in this instance? Those interviewed by Timonen et al. (2003) did not believe the potential of cost savings was the main driving force behind development of e-government in Ireland. In fact, it was considered that the prospect of cost savings played only very little, if any, role in motivating the e-government project. The paper found rather that e-government work in Ireland is being primarily motivated by a genuine desire to make government more efficient, citizen-oriented and customer-friendly: the goal of e-government is to achieve seamless client-centred service delivery. This is reflected in the fact that all the main online information services are organised around the 'life events' of individuals and businesses, rather than around the bureaucratic structures of government. E-government is also recognised and treated as one of the central pillars for progressing public service modernisation in the future.

Bovaird (2003) identifies a number of drivers of ICT enabled organisation change:

- a growth in the theory and practice of customer relationship marketing, building up and using a much

more detailed knowledge base in relation to clients' needs, wants and likely reactions to services offered;

- the development of holistic needs assessment, based around clients' desires for a better quality of life (rather than better services);

- changing public expectations with respect to service quality; due partly to changes in family life and working patterns, the public expect public services to be available more easily and more often than heretofore;

- new methods of staff working, such as part-time working, flexible hours etc. These flexibilities are enhanced by ICT but up to now have been seen as quite marginal in most parts of the public sector.

Bovaird points to three separate but interrelated mechanisms by which ICT can support change in an organisation:

- Improved use of data bases in the organisation – here the stocks of knowledge in the organisation, at least in so far as they are embedded in the organisation's data bases, are more accessible and can be cross-referenced more easily. It is expected that this should help both in improving the determination of decisions and in implementing decisions more consistently.

- Better communications in an organisation – partly through the use of the organisation's data bases, but also because it opens up much faster, more personalised communications channels to individuals and to groups (through e-mail, interactive websites etc).

- Improved decision making in an organisation – here, information flows are made faster, more reliable and more relevant than they were heretofore, so that individual decisions are likely to be improved and the communications between decision makers are expedited, so that decisions are more coordinated.

Bovaird (2003) illustrates the effect of the three mechanisms listed above by presenting the model developed by the Department for Transport, Local Government and the Regions (DTLR) in the UK to define the key elements of e-government:

> Improved database management is a key aspect of improved transactions and successful e-business systems. Better communications are required if there are to be improved transactions and successful e-enabled business systems – the search for better communications is behind the development of e-enabled access channels. Better decision making is intended to be an outcome of e-enabled business systems. Clearly, all three of these fundamental change mechanisms require enabling technologies. Finally, none of these changes will actually make a difference in the absence of organisation leadership and capacity, which will ensure that e-government is driven by priority public needs rather than simply technocratic imperatives.

Timonen et al. (2003) advocate that as e-government development progresses to the next, more demanding, phase, and as funding for e-government initiatives may not be as easily forthcoming as in the past, it becomes more important to justify e-government funding in terms of the considerable cost savings that can flow from it. Murphy (2002) indicates that there is a need to couple new organisation practices with ICT, offering opportunities for reducing costs and enhancing efficiencies along the entire business value chain. Bellamy and Taylor (1994b) illustrate that 'the economic and business logic of the information age gradually, but inexorably, drives service organisations, including those in the public sector, towards profound transformations in the design of their production processes and structures'.

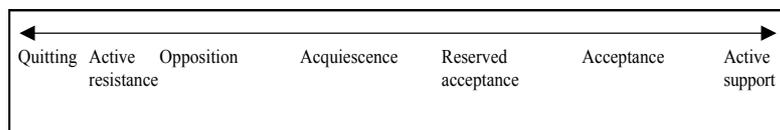## 2.5 Barriers to organisation change/ICT

Muid (1994) affirms that 'the capability of IT as a catalyst for change is acknowledged and can be regarded as a means of assisting the reforms', but he warns that 'IT can also act

as an inhibitor to change because of systems' rigidity and costly legacies of past investment'. Bellamy and Taylor (1994a) ask two key questions in this regard: (a) are the shifts associated with new public management conducive to the optimal realisation of the potential gains which informatisation might bring, or do they inhibit change, and (b) can organisation units – departments, agencies, divisions etc – be (re)organised both internally and in their relationships in order to create the conditions needed for the full exploitation of new information systems? Murphy (2002) and Brown (2001) imply that in many cases firm performance may not be improved if ICT investments are not accompanied by organisation changes. Murphy singles out lack of attention to human and organisation aspects as factors which can undermine ICT investments. In particular, Murphy cites a survey of UK firms which found that 80-90 per cent of ICT investments failed to meet all of their objectives due to poor human resource management and failure to involve users.

Bellamy and Taylor (1994b) question 'whether the technological capabilities for informatisation are outstripping the organisation, political and managerial capabilities of constructing, controlling and regulating new information systems and new information flows'. They accept that 'the very process of informatisation disturbs inter- and intra-organisation relationships in ways that are not easily controlled and reordered. Its outcomes emerge from the interaction of managerial, political, professional and commercial stakeholders around technological infra-structures and the design and distribution of informational resources'. Bellamy and Taylor (1994b) thus stress that due to these factors the results of new projects will often be compromised and the exploitation of new opportunities irregular. They reiterate in the paper that, 'if we are right in arguing that the modernisation of public administration depends on the effective exploitation of new information flows in government, then those factors which inhibit this exploitation will also inevitably compromise the realising of the new public management'.

To this end, it is particularly important to understand the reactions of individuals to change. Baron and Greenberg (1992) suggest that reactions to change can be categorised along a continuum (Figure 2.4).

Figure 2.4 Individual Reactions to change

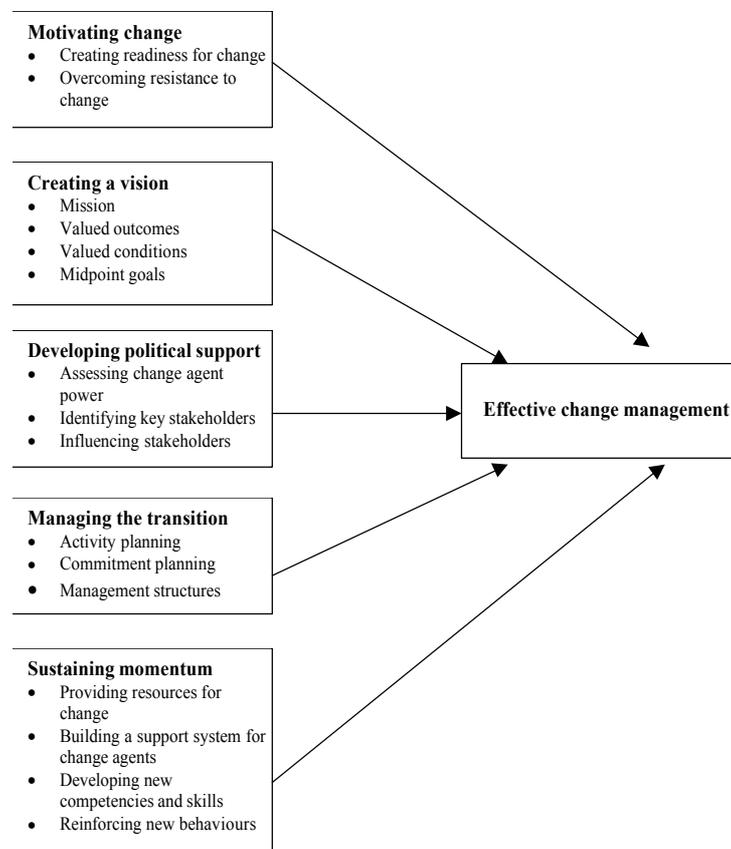| Quitting	Active resistance	Opposition	Acquiescence	Reserved acceptance	Acceptance	Active support

Source: Baron and Greenberg (1992)

The most extreme reaction is to leave the job because the change is perceived to be intolerable. Active resistance involves personal defiance and encouraging others to resist the change initiative. Opposition essentially involves lack of co-operation and trying to delay proceedings. Acquiescence occurs where individuals may be unhappy about the change but feel powerless to prevent it, so they put up with it as best they can. Reserved acceptance occurs where the main thrust of the change is accepted but individuals may bargain over details. Acceptance is characterised by passive co-operation with the change but no overt wish to participate in it. Finally, at the other extreme there is active support where individuals welcome change and actively engage in behaviours that increase the chances of that change becoming a permanent feature of organisation life.

These factors suggest that, in overcoming possible resistance to change, a number of issues will need to be addressed to win acceptance and support. Figure 2.5 highlights a number of these issues.

Bovaird (2003) emphasises that the organisation changes which can be effected through the e-revolution are only just beginning to become evident. He points out that evidence from the Best Value initiative in the UK suggests that many existing organisation configurations in the public sector will not be sustainable, either on the basis of service quality or value for money. However, he suggests that

Figure 2.5 Activities contributing to effective change management

Motivating change
- Creating readiness for change
- Overcoming resistance to change

Creating a vision
- Mission
- Valued outcomes
- Valued conditions
- Midpoint goals

Developing political support
- Assessing change agent power
- Identifying key stakeholders
- Influencing stakeholders

Managing the transition
- Activity planning
- Commitment planning
- Management structures

Sustaining momentum
- Providing resources for change
- Building a support system for change agents
- Developing new competencies and skills
- Reinforcing new behaviours

Effective change management

Source: Cummings and Huse, 1989

... the most appropriate ways forward will only be uncovered through much experimentation within e-government and e-governance programmes. In the nature of experimentation, many of these initiatives will turn out to be unproductive or cost-ineffective – but that is perhaps the necessary price to pay for the level of public sector transformation which now appears to be in prospect.

Therefore, evidence suggests that each public sector organisation will have to assess its own needs rather than depend on the premise that one size fits all (generic model).

2.6   Conclusions

Drucker (1988) forecast that 'the typical large business twenty years hence will have fewer than half the levels of management of its counterpart today, and no more than a third the managers … the typical business will be knowledge-based, an organisation composed largely of specialists who direct and discipline their own performance through organised feedback from colleagues, customers, and headquarters. For this reason, it will be what I call an information-based organisation'. How far along this road of transformation have public administrations travelled? Having reached the automation, information, interaction stages of ICT development, how many projects have reached the integration or transformation stages?

As the earlier literature in this report points out, organisation change is needed to realise the full benefits of information and communication technology. It can be seen from various studies that the relationship between ICT and organisation development has the capability to engender a flatter organisation with less hierarchical levels, decentralised operation based on revolutionary communication technologies, the transformation of hierarchical structures through the use of networks, and the creation of strategic autonomous agencies.

But, this brief review has also shown that ICT can also act as an inhibitor to change because of systems rigidity, the costly legacies of past investment and lack of attention to human and organisation aspects, as factors which can undermine ICT investments. Further constraints are possible when technological capabilities for informatisation are surpassing the organisational, political and managerial capabilities of constructing, controlling and regulating new information systems and new information flows. These issues are further examined in the next few chapters both in terms of national and international experience.

3

E-government policy in Ireland

3.1 Policy developments

> It is a misconception to imagine that e-government is
> merely an automation of existing government services; it
> is a radical convergence of government and technology
> that has the potential to radically transform the public
> service and the citizen's experience of it. This
> convergence requires a major re-organisation of current
> administrative processes. In that sense e-government is
> more about government than about 'e'. (*Information
> Society Commission, 2003*)

This chapter takes a look at recent policy developments
in terms of e-government in Ireland. Appendix 7 outlines the
roles and responsibilities of departments and ministers in
developing e-government in Ireland.

An Information Society Commission (ISC) report (2003)
highlights the link between e-government and the
modernisation of the public service:

> The modernisation process is intimately connected to the
> e-government process and shares many of the same goals
> such as provision of better quality service, focus on the
> citizen, more efficient and effective work practices,
> improved decision-making. E-government provides the
> tools which enable the modernisation process to be wide-
> ranging and effective. It facilitates increased flexibility
> and co-operation with ongoing change, increased value
> for taxpayers' money through more efficient use of

resources and more robust performance and financial management systems.

As Timonen et al. (2003) note, *Delivering Better Government* (1996) acknowledges the great potential for effective use of ICT to transform the way government business is conducted and to provide new ways of working. Developments since that time are continuing to place new demands upon the public service as both a leader and a facilitator of change. The possibilities opened up by ICT developments transcend the limitations of existing organisation boundaries, thus enabling transformation of public sector organisations and providing a catalyst for greater inter- and intra- organisation integration. The New Connections Report (2002) emphasises this point that 'ICTs therefore make possible new connections – both within Government itself, and between Government and the citizen and Government and the business users of its services'.

The ISC report (2003) acknowledges the far-reaching potential of e-government:

> It has the capability to ensure the greater engagement with citizens, higher productivity in terms of reduced costs, more efficient administrative procedures, delivery of higher quality services and provision of better policy outcomes. In addition to providing services directly online, e-government has the potential to improve the quality of existing services, e.g. to support a public servant in a one-stop shop dealing with a person's query.

Timonen et al. (2003) note that 'all in all, the e-government process in Ireland has been relatively decentralised. While significant funding and a basic strategic framework of e-government originate in the two central government departments, agencies and departments have had considerable scope for innovation and initiative' (p.62). The REACH, OASIS, BASIS and ROS initiatives show that departments and agencies have considerable room to shape their own e-government projects and products. The Revenue Online Service (ROS) reveals that while some of the ingredients of its success originated in the 'centre', credit for

its dynamism has to be given first and foremost to the factors and individuals operating at the 'decentralised' agency level.

The *New Connections Action Plan* (2002) put forward the objective that government was committed to having all public services available online through a single point of contact by 2005. Individual departments and agencies included this objective in their statements of strategy with the intention of linking the e-government agenda with their business strategy. The ISC report (2003) highlights that concern has been expressed that due to budget constraints, and the sheer scale of the organisation change involved, this target may not be met. The ISC report consequently stresses that 'the key point in relation to providing public services online is that only those services which are deemed to be worthwhile and capable of online delivery should be online by 2005. Factors to be considered in determining what is worthwhile include likely usage patterns, service quality and satisfaction levels. Clear and relevant improvement measurement indicators will assist this process. Priority should be given to those services which confer greatest benefit by being online'. The ISC report further emphasises that significant costs are involved in providing online services and it is important that potential demand for services which are earmarked for online service delivery must be taken into consideration to ensure value for money

The intention is that all public services will put their information and services on the Public Service Broker (PSB), so that users can access all services from one location. Processing of the services will usually take place elsewhere (in the back offices, agency computer systems etc) but the user does not see this and only deals with the user interface which is straightforward and standardised. If a service requires dealing with many different agencies, that can also be accommodated: forms will be built so that if necessary the PSB can break up the form and send the relevant parts to different agencies. All the services on the broker will be standardised and a services' catalogue will be available to choose from according to one's service needs. In addition to the PSB there will be contact centres; it is

essential to provide users with a mix of channels so that if they need assistance or if the service breaks down, they can contact a service centre.

The *New Connections Progress Report* (2003) informs us that the 'Public Service Broker' has been rebranded as ReachServices and the portal went live in April 2002. It comprises an online citizen registration service, a central authentication system, an application forms' repository and, since August 2002, an online e-receipts facility for participating agencies. A phased approach to developments is planned, with Phase 1 involving the development of a number of initial 'launch services' in addition to an inter-agency messaging system. Other priorities highlighted in the Progress Report include the incorporation onto ReachServices of existing online services and the development of high-value services in the social welfare, education, health and local government sectors. The *New Connections Second Progress Report* (2004) outlines the considerable progress made in terms of e-government in Ireland. The Report (2004) states that following the selection by the REACH agency of a preferred supplier to design and build the Public Service Broker, the aim is to have the Broker in place by defined target dates in 2004.

An OECD report (2003) illustrates that 'the impact of e-government at the broadest level is simply better government by enabling better policy outcomes, higher quality services, greater engagement with citizens and by improving other key outputs'. The ISC report (2003) also stresses this point that 'by making intelligent use of ICTs, particularly the Internet, government can exploit the huge potential of these technologies as a means of achieving better government'. Citizen centric provision of e-government is a key concept highlighted in the ISC report. This frees the citizen from the need to understand the complex structures of government in order to deal effectively with it. The report acknowledges that this also requires government to embrace the concept of a single integrated delivery channel to enable the citizen to access the specific information or government service required.

The *New Connections Progress Report* (2003) highlights that the slow delivery of the Public Services Broker is the biggest issue in the development of e-government. The report also calls attention to the fact that the continued delay will adversely affect the development of online service delivery in agencies awaiting the shared components that comprise the Broker (registration, authorisation, personal data vaults, process flow etc). The report also acknowledges that there is a general acceptance of the need to concentrate on the further development of e-government, beyond pure service delivery, to encompass transformation of the policy and administrative processes. McDonagh (2002) emphasises that transforming the landscape is a strategic challenge which involves focusing on the whole business change, not just IT aspects. He underlines the importance of good leadership and clear responsibility for IT-enabled change and also adequate resourcing for the 'soft' aspects of change. He stresses the need for excellence in programme and project management skills and also robust risk management, taking a business-wide rather than a project view. He emphasises the need for effective measurement and management of benefits and effective communication between stakeholders. Importantly, he affirms learning from experience and sharing lessons learned.

Launching joined-up services will call for innovation beyond the scope of any single agency (*E-Government: A Strategic Framework for Public Services in the Information Age*, 2000). The scale of organisation change required may be beyond anything government has previously experienced (*Electronic Government Services for the 21st Century*, 2001). The ISC report (2003) reiterates this point:

> Fully-fledged e-government will be hard to achieve. The huge scale of government operations, the difficulties of handling the kind of private sector involvement increasingly favoured for implementing major IT projects, the requirement for thousands of efficient processes to be re-engineered if the technology is to be allowed to demonstrate its latent capability, and the sheer effort of cultural transformation, all make e-government

fundamentally more challenging than ICT deployment in the commercial sector.

To support these inter-agency developments, maximising the use of shared services is an emerging government priority. At the request of the Taoiseach, an inter-divisional group was set up within the Department of Finance in late 2003 to study the possibilities for sharing and pooling common services across departments and offices. There are many potential shared services which are likely to feature significantly in the coming years.

3.2   Conclusions

A re-assessment of government policy with regard to e-government is taking place in the light of evolving economic circumstances. The *New Connections Progress Report* (2003) has outlined the need to refine the target date for the delivery of online services: 'In relation to the target of 2005 for the delivery of online services, there is a need to refine that target to ensure that optimum results are achieved in terms of effectiveness and impact'. The minister with responsibility for e-government policy, in an interview in the *Irish Times* (Smyth, 2003) indicates that the government will in fact prioritise certain projects. In terms of future e-developments, cost control and value for money aspects will be important factors in determining whether projects will be undertaken or not. Shared services are a growing feature on the scene. The prioritisation of certain e-projects in the next roll-out phase may augur well for a real 'transformation in the way government operates'. It has been found in other countries that the 'think big, start small, scale fast' approach to e-government has been successful rather than a 'big-bang' approach. The targeting of specific projects over the next few years rather than a blanket development nationwide will enable the pioneering projects/organisations to provide benchmarks/ good practice examples for other organisations to follow; innovative processes may be refined and improved upon and also lessons may be learned through information and knowledge management which will enable the adoption of a more successful incremental approach to e-government.

4

Organisation change underpinned by ICT developments: lessons from practice

4.1 Introduction

The aim of this chapter is to review experiences in respect of the implementation of organisation change using ICT developments across the public service. The terms of reference for this study outline as one of its key objectives the provision of a detailed examination of instances of good practice and leading practices within the public sector, in relation to the organisation change dimension of adopting e-government solutions. The choice of organisations required careful consideration. It was recognised by the CPMR that it was important when selecting the organisations to bear in mind the lessons that may be learnt from the successful, but, also unsuccessful aspects of change projects. Furthermore, it was regarded as important that the organisations reviewed would be in the process of, or have recently implemented, their own modernisation programme.

As outlined in Chapter 1, six public sector organisations were selected as good practice examples: the Civil Registration Service Modernisation Programme; Donegal County Council and the Integrated Services Centres Project (ISCs); Land Registry Change Programme; Department of Social and Family Affairs Modernisation Project; the Civil Service and Local Appointments Commission (CSLAC) Modernisation Project; and the Collector General's Office, Office of the Revenue Commissioners. Information from the case studies is presented in a common format to facilitate the identification and comparison of common factors. Details of

the individual case studies are outlined in Appendices 1 to 6. Particular emphasis has been put on outlining the purpose and impact of the change, identifying the main drivers of, and barriers to, change and highlighting lessons learned in the change process.

4.2 Drivers of ICT-facilitated organisation change

A number of important drivers was evident in the organisations reviewed and these are outlined under specific headings in this section.

4.2.1 Internal/external crises

Several of the cases studied started their modernisation programmes due to external or internal crises brought about by increasing demand and inadequate infrastructure to cope with that demand. For example, in the case of the Civil Registration Service, a modernisation programme was introduced due to an antiquated record system, developments in technology and in people's expectations in their dealing with public services (GRO, 2001). The Civil Registration Service modernisation programme received particular impetus from the Department of Health and Children following the medical card crisis over payments given to doctors for patients who were dead for many years, arising in part from the outdated record system. Similarly, the Land Registry commenced its modernisation programme because the paper-based system could no longer meet the demands and expectations of customers. The roll out of the change programme coincided with a boom in the property area with a doubling of workload from 85,000 to 160,000 applications for registration per annum. The Civil Service and Local Appointments Commission (CSLAC), likewise, introduced a modernisation programme due to a crisis in terms of the paper-based system; service was not being delivered due to an increase in demand for competitions; there was low morale in the organisation; and clients were disgruntled at the backlogs in filling posts and providing panels for departments and agencies. In the Collector General's Office,

the decentralisation of the Office to Limerick was viewed as an opportunity to adopt a radically new approach to delivering the core activities of the Office.

4.2.2 The influence of the public service modernisation agenda

The influence of the public service modernisation agenda (*Strategic Management Initiative* (SMI), *Delivering Better Government* (DBG), *Better Local Government* (BLG)), was seen by the majority of organisations consulted as a very important driver in terms of providing a context for the implementation of their specific modernisation programmes/reforms. The Civil Registration Service change project was closely aligned to one of the main modernisation themes – closer inter-agency co-operation, in this case using the Public Services Broker model. Given that the Civil Registration Service is a key element underpinning this inter-agency collaborative model, it was important to modernise the Civil Registration Service by decentralising and devolving responsibility to the local level that was enabled by ICT developments. Similarly, in terms of Donegal County Council and the ISCs, in the early 1990s there was pressure coming from local and national level to improve the organisation and delivery of services. The local pressures derived from both staff themselves and the elected members. At a national level, the public service change programme (DBG, 1996) and the Information Society strategies to exploit new technology, to both connect government services together and to connect the services to the customer, were driving the national change agenda. These were further augmented by national wage agreements, the Local Government Act 2001, the introduction of new financial management systems, the establishment of county development boards, the national development plan (2000-6), and the national spatial strategy (Mc Loone, 2003). In relation to the Department of Social and Family Affairs (DSFA), the convergence of a number of factors prompted the department to redevelop its service delivery strategy, including the need to prioritise better customer service given

its importance in the public service modernisation programme; the commitment to electronic access to public services in the government's action plan for the information society; the need to ensure value for money in the use of resources through improved efficiency and integration of services; the need for an improved working environment for staff in the service delivery area; and the fact that existing computer systems were not capable of being adapted to meet the developing requirements of government policy.

4.2.3 Strategic leadership and management commitment

The role of strategic leadership and commitment of senior management in implementing and sustaining the momentum of change is another important element highlighted by organisations in initiating and sustaining the implementation of modernisation programmes. The change at the Land Registry was overseen by the chief executive. Under the new leadership, a new vision and plan were drawn up with specific objectives and targets on how to achieve them. The chief executive selected the programme change steering committee to co-ordinate and drive the development of new projects and changes affected by the use of ICT systems. All functional areas in the organisation were represented on the steering committee. In the Collector General's Office, a project board comprising senior managers from the business side and senior managers from the IT development team oversaw developments. The board is chaired by the assistant secretary in charge of the Office. In the DSFA, a service delivery modernisation programme board was established to oversee both the IT and organisation change projects associated with the introduction of the service delivery modernisation programme. The board met on average monthly. The board was chaired by an assistant secretary of DSFA and membership comprised an assistant secretary in charge of personnel, directors of IT services and long-term schemes and a representative from the Department of Finance (CMOD). Reporters from this board provided feedback to both the organisation change project manager and the IT project manager. In tandem with the board, an

organisation change project steering committee was set up, which was made up of the IT project sponsor, child benefit, long-term scheme management and management services representatives, as well as IT and organisation change project managers. Organisation change consultants reported to the committee. The service delivery model project board and the organisation change steering committee were critical in driving the project forward. The organisation change project was seen as an absolute requirement to ensure that the department got the full benefits of the investment in new ICT systems.

In the CSLAC, the new chief executive set about transforming the organisation by introducing a new business ethos, setting out a vision for change and communicating the vision to relevant stakeholders. A series of consultations with clients took place to explain the overall predicament of the organisation and to explain where the CSLAC should be, and to re-engineer the service around the customer needs.

4.2.4 Set out a clear vision incorporating the business case and desired future organisation structure

As noted above, the majority of organisations consulted outlined the importance of setting out a vision and underpinning this vision in an organisation redesign framework based on a business process re-engineering plan, to ensure that the objectives of the modernisation programme are carried out effectively. For example, the new modernisation project aimed at delivering a high quality, proactive service to customers of DSFA was underpinned by lessons learnt from a business process re-engineering study undertaken in 1996. A new service delivery modernisation (SDM) programme was developed by the department following an extensive examination of how best to deliver services in the future. Implementing the SDM involves a large-scale multi-year programme of change using modern technology and business models to achieve the transformation.

In May 2001, a consultation document, *Bringing Civil Registration into the 21st Century,* was published by the Civil Registration Service, to let stakeholders know how it proposed to modernise itself and to enable stakeholders to provide feedback. The production of the *Bringing Civil Registration into the 21st Century* consultation document provided a coherent vision of the desired change. In particular, the document located the technological changes in the context of the wider modernisation of GRO services. There was thus clarity of the role technology would play in facilitating organisation and customer service change. A strong business case for the change was made.

In the Collector General's Office, the early development of a change management plan was seen as central to success. A key component of this plan is the elaboration of the business changes to be realised from the project, and how day-to-day business processes will be altered by the new arrangements.

4.2.5 Good project management

An important factor identified by organisations consulted was the necessity for good project management procedures to drive organisation change and e-government. In terms of the Civil Registration Service good project management procedures were followed. Monthly meetings of the steering committee monitored the development of the change project. Reviews at the end of each important phase in the model ensured effective rollout of the model. Much of the work was progressed through four mini-projects: an organisation project, a legislative project, an historical project and a technology project. Each of these mini-projects had a designated team leader. The steering committee oversaw the entire modernisation process. As there was significant overlap between the four mini-projects, this allowed for the development of teamwork between both departments and the regional offices. The four mini-project leaders had to report to the steering committee every 4-6 weeks about their plans, difficulties and risks. Similarly, a regional contact reported at each steering committee meeting. In every health board,

implementation team meetings were held every six weeks, with good representation by general manager/assistant CEO level (chair), IT personnel, head of maternity services, hospital staff, superintendent registrar, HR, and a local trainer. Every second or third meeting was attended by the director of the modernisation project and the project team from Dublin headquarters would attend to discuss funding issues and provide support.

The Land Registry used the business plan as a working document to get funding. The projects were matched into the strategy statement and strategies were written up for everyone in a corporate data model. The IT system steering committee, which is representative of functional areas of the organisation, decided which projects were to be prioritised and consequent resourcing issues. It was seen as important to give the steering committee this role rather than leave it to the information systems (IS) unit. The IT system steering committee won the approval of all sections and the IS steering committee brought on board both avowed technology people and disbelievers thus avoiding group think and ensuring representation of different ideas. A factor identified by the Land Registry in the successful implementation of the change programme is to have people designing systems who are involved in the area, as this ensures acceptability of the change project. A project management approach was adopted and driven by the IT systems steering committee and a formalised approach was an important component in addressing potential industrial relations issues and in determining expenditure prioritisation. To engender further innovations, an ideas committee was established representative of all grades and streams in the organisation to analyse ideas and recommend suggestions for implementation.

4.2.6 Consultation with stakeholders

A crucial driver identified by the organisations consulted in this study is the importance of involving all stakeholders from the outset in modernisation programmes. The organisations consulted, from the outset of their

modernisation programmes, mapped out their stakeholders; following on from this, they produced consultation documents in association with staff and customers, provided a consultation forum (seminars, presentations, workshops) to explain the change process. In the case of the CSLAC, they set up a customer relationship management (CRM) unit to internalise the needs of the customer. CSLAC advocate that the implementation of the change programme is only sustainable if you continuously improve the services by consulting with the customers about what they need and underpin the process with up-to-date ICT systems. The CRM unit has enabled a new relationship to be developed with clients and has highlighted new opportunities for business improvements. The ICT systems have improved the efficiency of the service and enabled a new professional image and service to be designed around the client. The establishment of the CRM unit provided a single point of contact for the customer. It is a useful tool to gauge the needs of the customer and address the internal problems of change in service delivery practices and structures; and to agree delivery standards and a mechanism for deciding priorities. In the case of the Land Registry, coupled with internal meetings with staff, there were a series of external meetings with customers, e.g. meetings nationwide with the local Bar associations. It was crucially important to market the change project to solicitors and accountants, to ensure that a critical mass would use the new system, and to provide an opportunity to demonstrate the benefits of the new system to their businesses.

4.2.7 Comparative models/systems assessed

Most organisations consulted derived their modernisation programmes from a range of international best practices and theories, rather than basing their change programmes on any one particular model. The Land Registry assessed comparative systems in England, Canada and Australia when designing the online service delivery and organisation change components of the change programme. No single model of change was used, but rather a cross-fertilisation of

ideas garnered from Internet websites from Australia, Canada and England. Also an informal network of people in other countries (England, Northern Ireland, Scotland) was established to obtain useful information, much of which was done by phone and this informal networking was used to inform progress. The model employed by the Land Registry was a distillation of best international practice (subsequently the UK looked to the Land Registry's model for developments on the technical side). In terms of the DSFA, no specific model of change was used. The project has built on the experience gained from a business process re-engineering study carried out in 1996 which recommended a 'breakthrough' approach, to fundamentally challenge the way long-term social welfare schemes are delivered in order to dramatically improve service delivery. This approach recommended multi-skilling of staff and a 'once and done' approach to handling claims. Modern technology systems were recommended as a key component to supporting the business systems. Alternatively, in Donegal County Council and the ISCs' case, the new organisation structure implemented was based inter alia, on a set of design principles influenced by the work of Elliott Jacques (1996) in his book *Requisite Organisation - A Total System for Effective Managerial Organisation and Managerial Leadership.*

4.2.8 Partnership

Partnership provided a useful forum for testing new ideas in the modernisation process. For example, a partnership approach facilitated open discussion of options to tackle the problems reported by staff in Donegal County Council. Similarly, the establishment of an inter-agency partnership was a key factor in developing the ISC agenda. Change was introduced on both a pilot/interim basis and incrementally. This facilitated the build up of confidence between management and trade unions to test new ways of developing continuous improvement programmes. The partnership model of working and the recent national agreement *Sustaining Progress* (2003) are seen as useful

mechanisms to assist in creating the conditions for this to happen.

4.2.9 Piloted/quick wins

A number of organisations introduced change on an incremental basis using a pilot version of the modernisation programme on a smaller scale prior to full implementation. This provided an opportunity to refine the model and also to alleviate any staff or union fears about the proposed changes. A number of quick-wins was seen by a number of organisations as an important factor in selling the change programme both to stakeholders and sometimes senior management at the start. The Land Registry undertook a business process re-engineering exercise and staff were involved in major retraining on a region by region basis. The change from paper-based searches to computer-based search systems was implemented on an incremental basis to achieve buy-in and a comfort factor during the initial phases of the change programme. There was no formal 'pilot' as such in this case, but change was implemented on a phased basis.

4.2.10 The presence of secure multi-annual funding

In Donegal County Council and the ISCs' project the multi-agency funding was an important element in driving the modernisation programme. Guaranteed provision of funding over a number of years is seen as critical by the Land Registry in terms of planning ICT projects.

4.3   Barriers to organisation change using ICT developments

4.3.1 Industrial relations

In a number of organisations, there were delays in implementing the modernisation programmes due to industrial action. In the Civil Registration Service, there were delays in going live on the pilot of computerisation due to negotiations with the unions on willingness to carry out

new work practices, despite the management stance that computerisation would make the processing of work easier and also lead to upgrades for staff involved in the process. In practice, computerisation has meant additional work practices being implemented and management cite efficiencies generated as additional staff are not required. If the project were to be re-run, with hindsight, management would sit down with the unions at the start and spend more time outlining the intended changes and their impact. But at the time they were not aware that industrial relations issues were going to materialise when they commenced the modernisation programme. A positive element is that since the industrial relations difficulties have been resolved, the solutions apply nationally.

In the DSFA, industrial relations issues arose from what was initially a local dispute, which escalated into promotion demands during implementation of the new systems. The technology being used was very new, so there was a significant learning curve and this caused some delay which resulted in motivational issues. The implementation of new structures in Donegal County Council required detailed negotiations with the unions, in the context of a nationally agreed framework for the implementation of *Better Local Government*, which itself required lengthy negotiations between management and staff representatives. Similarly, there were competing priorities involving six different unions with differing interests in Land Registry. In the early stages of the change programme, the management team benefited from the expertise of an external consultant and got 'buy-in' by the majority of unions and others gradually came on board. More recently, management relied on believing that agreements that were signed up at the central level, such as *Sustaining Progress*, would enable flexibilities for change at a local level. In practice, the co-operation provided by these agreements to cater for technical change and change in work practice was only slowly translated at a local level. This resulted in protracted discussions with local union representation, who were not ad idem with management.

4.3.2 Inter-agency/cross-departmental mechanics

A few organisations found cross section/department/agency projects difficult to manage due to the existing political, legislative and accountability frameworks which demand that departments and agencies continue to work within their own boundaries. In the Civil Registration Service, the inter-agency aspects of the modernisation project led to significant discussion and debate. As noted by Collins et al (2003):

> While e-government is meant to present an integrated, borderless view of government to the customer, the existing political, legislative and accountability frameworks demand that departments and agencies continue to work within their own boundaries. The question was at what point did transferred data become the responsibility of the receiving agency and how would system failures, errors and fallout be dealt with? These issues arose during the development stage and solutions had to be negotiated and agreed … there is a well tried and tested mechanism for assigning responsibility for customer data already set down in national and EU data protection legislation.

In relation to the DSFA, in general, the experience of the management is that cross section/department/agency projects are difficult to manage.

4.3.3 High expectations

Initially, in the CSLAC when the IT system was developed, there was a high degree of expectation about what the system could do. When the system went 'live' there was some initial disappointment in terms of the technical problems experienced and the lack of a detailed application form available online. But, despite these disappointments, 30,000 people registered initially when the online job applications service was set up and the volume has increased as more competitions have been placed online.

4.3.4 Reducing bureaucracy/setting out design principles

One of the major challenges in designing the new organisation in Donegal County Council was to reduce so-called bureaucracy or red tape. A number of questions were set out at the design stage. How many staff are needed? How many levels of management are required? How should this be determined? What is the optimal relationship between politicians and officials? Organisation design principles were employed to address these questions and challenges. The organisation was restructured into four levels of management. This needed to be done within the constraints of a national grading structure, and in effect, the new grading structure was 'bolted' onto the national grading structure. Mc Loone (2003) suggests that:

> Among the major constraints to change in public services are: the rigid national pay and grading structures including permanent/pensionable tenure of employment; rigid systems of recruitment, promotion and career progression; the lack of competition; the absence of flexibility in rewarding performance; and the highly centralised nature of central government controls (decision making, control of funding systems etc.) A consequence of these constraints is that making real changes in the organisation of public services is highly complex and painstakingly slow by comparison with the complexities of an organisation of similar scale in the private sector.

4.3.5 Distance factor

To some degree the distance factor was an issue in the DSFA modernisation project as child benefit was located in Letterkenny, IT staff were located in Dublin and some management and other staff involved were located in both Dublin and Sligo.

4.3.6 Uncertainty with regard to funding

The lack of predictability in guaranteed funding was highlighted by the Land Registry as a barrier that curtails the opportunity for multi-annual advance planning. Guaranteed provision of funding over a number of years is seen as critical in terms of planning ICT projects.

4.3.7 Change programmes are time consuming

Donegal County Council and the ISCs project found that the implementation of the modernisation programme has been a very time consuming exercise. Work has been ongoing since 1998, to develop the model of the integrated service centre and of the e-government model of delivery being developed by REACH. Mc Loone (2003) notes that: 'We are at the point of being able to develop in test mode the creation of a single public service record from multiple records and to use one application form as the gateway to a full range of public services'.

4.4   Key learning points

In reviewing these organisations, a number of key learning points emerge.

A clearly articulated vision outlining the business case for change and the desired organisation reform

It is important to set out a clearly articulated vision of the organisation change facilitated by ICT developments that is proposed, and to ensure that this is embedded in the organisation business plan. The vision needs to be actionable, supported by a strong business case for the proposed change, and indicating the desired organisation reforms to be achieved.

Leadership

Strong leadership is a key ingredient in driving the change process. In the cases studied, change would not have happened without the drive and initiative of the top

management. But also vitally important were the project team and steering groups set up to oversee and implement change. These teams provided local leadership.

Set out roles and responsibilities at the outset

It is important at the outset to set out the roles and responsibilities in a formal structure, particularly for cross-department developments. When implementing a modernisation programme, the management of the change process becomes a lot easier if the standards and structures are in place at the outset. The key ingredients are communication with all stakeholders, involvement at all levels, and in the case of joint projects commitment by senior management and strong governance to drive the project. Preparing the ground for organisation change well in advance is vital. It is important to take steps to counter the difficulty in achieving the multi-skilling of staff while at the same time maintaining the day-to-day work activity. There is a confidence issue around new ways of working and the use of a new system, even for experienced staff, that impact on productivity.

Map out stakeholders/consultation

It is important to map out stakeholders and involve them in the modernisation process from the outset and to develop networks, committees and steering groups as effective channels of communications at various stages in the project. Relationship building and trust building is an important element. This involves engagement with stakeholders, by ensuring good project management supported by networked governance frameworks and communities of practice – or involving the partnership process. The partnership process provides an important tool to consult and discuss ideas and proposed changes in the organisation.

Quantify and demonstrate the benefits of the investment

The importance of ensuring value for money by quantifying the benefits achieved through investment is advocated by the

majority of the organisations consulted in this study. Various assessment tools are employed by organisations to assess the improved performance of their organisation, e.g. cost-benefit analysis, business case model and demand analysis.

Comparative examples/models

Organisations measure the performance of their organisation using three main benchmarks: firstly, comparing their organisation's performance before and after the modernisation process; secondly, comparing the current situation with projected targets (forecasts) in coming years; and finally, comparing against a desired model of change or comparative administrations or practices.

Time and patience

Time and patience are vitally important steps in relation to large-scale organisation change using ICT. It is often important to adopt an incremental approach to a change programme. It takes time to change an organisation from an introverted 'the process must be right' organisation to a customer-focused organisation. It takes time to effect confidence and morale in staff by management development programmes and empowering people through training and selecting the right team.

4.5 Conclusions

The purpose of this chapter has been to set out examples of how a range of public sector organisations have sought to modernise their approach to organisation change by adopting ICT solutions. The key lessons learned from these organisation change programmes provide useful indicators for the generic guidelines/framework presented in the final chapter. However, as Bovaird (2003) notes, the changes effected by the e-revolution are only just beginning to become evident; he also emphasises that

> While it seems likely that existing organisation configurations in the public sector will not be sustainable, the most appropriate ways forward will only

be uncovered through much experimentation within e-government and e-governance programmes. In the nature of experimentation, many of these initiatives will turn out to be unproductive or cost-ineffective – but, that is perhaps the necessary price to pay for the level of public sector transformation which now appears to be in prospect.

5

Issues and challenges for e-government and organisation development in the future

5.1 The views of key informants

In this chapter we focus on the issues and challenges for e-government and organisation development in the future and proffer some suggestions advocated by key informants interviewed which they believe may facilitate an easier transition.

The key informants who were consulted were asked to rank in terms of progress of e-government (on a scale of 1-10 where one is poor and ten is good) where they see e-government, and consequent organisation change (e-enablement) in the public sector. The majority of respondents placed e-government and organisation change at 2 on the scale.

Whatever their perception of the current reality, the potential of e-government to transform the structures of government was viewed positively by all the respondents. Opportunities are seen to exist to create new information frameworks, to increase quality and value for money by changes in the administrative and policy processes and the quality of service delivery. E-government has the potential to create mutually beneficial partnerships, to improve quality and effectiveness and to streamline structures.

While e-government has led to automation of processes, accounting and HR change, and increases in personal productivity, some informants question if it has given rise to serious organisation change, and if benefits have yet been

fully executed. There is a need for a more holistic view in the public service to delivery channels and which services the state will deliver and by what means e.g. the services that will be outsourced or delivered through public-private partnership, the potential for self-service options with minimum staff intervention (online provision of forms etc). Outsourcing is seen by a number of informants to provide additional opportunities in implementing e-developments in financial management, HR systems and in terms of alleviating skills limitations within the public service. As advocated by Fountain (2001) in *Building the Virtual State,* the implementation of e-government and organisation change has the potential to create a more agile public service with a more fluid structure and greater degrees of specialisation, including mobile specialisation or virtual groups. Bovaird (2003) reiterates this point when he suggests that organisation changes which can be effected through e-revolution are only just beginning to become evident.

Some informants expressed strongly the need for a business case model for e-government development and organisation change in Ireland. They advocate that there should be an obligation on organisations to set out a business case model to ensure effective transformation.

A number of key informants are concerned by the customer take-up rates for e-government services and feel there needs to be greater awareness by government to develop the most beneficial services to the public. Online services involve enormous effort in marketing to achieve a critical mass. The ISC report (2003) recommends that the targets for online delivery of government services by 2005 should be based on measurable benefits. The report suggests that consideration should be given to exploring the possibility of using innovative delivery models, including private sector involvement, in progressing e-government. It also advocates that appropriate incentives should be developed to support cross-cutting projects.

In the opinion of a number of key informants, having three areas responsible for e-government development at the

centre (REACH, Department of Finance and the Department of the Taoiseach) has diluted the drive of the e-government agenda. They see a need for greater central coherence. To achieve vital success in driving e-government in the future, it is advocated by several key informants that there needs to be a centre of leadership to clearly and visibly drive the e-government agenda and to achieve buy-in by public service leaders. To this end, the ISC report (2003) advocates that:

> ... government should consider creating a central government agency that has the expertise and institutional authority to lead and implement change. Such a central body could facilitate the implementation of e-government … and provide a focal point for e-government innovation, planning and oversight should be considered. This would involve appropriate alignment of the SMI and e-government initiatives to support a coherent overall approach to government modernisation and delivery of citizen-centric services.

The ISC report (2003) also emphasises that governments must regularly evaluate the progress and effectiveness of their e-government investments to determine whether stated goals and objectives are being met on schedule. This is a point reiterated by many of the key informants. Benchmarks can include such quantitative measures as the number of agencies and functions online, reduction in the number of complaints about the level and quality of government services, increased voter registration and/or turnout, increased citizen participation in consultations and comment proceedings, lower costs to government. This latter point, lower costs to government, is particularly important in the context of this study, as a number of informants emphasised that it enables more efficient and effective processing of the business of government. A central message from informants is that it is crucial that this potential is translated into reality.

A number of respondents emphasised that funding from the Information Society Fund should provide clearer specifications/information for projects at the beginning. The

fact that funding diminishes as the project evolves, the need to examine viability issues, and the targets/indicators of organisation change required in terms of measuring returns on the investment – these should be specified from the outset.

5.2 Key action points highlighted by key informants

A number of key points emerge from the views expressed:

- There is a critical need for top-level leadership and fragmentation of power at the centre if e-development is to succeed.

- Citizen/customer needs are a key driver and must be taken seriously when developing e-government and organisation change.

- There is a need to take a serious look at service delivery channels, and examine the opportunities for shared services, outsourcing, partnerships and the like to create empowered cross-government and enterprise taskforces to drive future e-developments. Also, this review revealed a need for an examination of the economic value of these projects.

- It is important to set out a clear business case for e-developments both locally and nationally. At the organisation level, there is a need to embed ICT developments and organisation change into a strategic business model (vision, strategy, assess barriers/benefits, business plans with specific organisation change targets). The full impact of ICT developments will not be accrued by organisations if imposed on old administrative structures. If the full benefits are to be reaped, a clear strategy is needed to implement both organisation transformation and ICT development.

- It is important that government give a commitment to be a reliable custodian of people's information as information is used when developing data-sharing facilities, when integrating services across departments and agencies and when outsourcing information/services to third parties.

6

Summary and Conclusions

6.1 Introduction

As can be seen from earlier chapters, establishing an effective linkage between the introduction of e-government and organisation change can present significant challenges. It is dependent upon organisation culture and structure, corporate leadership and commitment, and the actual approach taken to implement and sustain the momentum of change. What the literature and practice emphasise is that the full benefits of e-government are only realised when the introduction of ICTs is accompanied by organisation change. The Information Society Commission (2003) states that e-government 'has the potential to radically transform the public service and the citizen's experience of it' and 'requires a major re-organisation of current administrative processes. In that sense e-government is more about government than about "e"'.

The literature reviewed in Chapter 2 emphasises the potentially mutual beneficial relationship between organisation change and ICT investments. This point is emphasised by United Nations Thessaloniki Centre Occasional Paper Series (2002), which outline the potential benefits of e-government in the public sector: flatter organisations with less hierarchical levels; the enabling of decentralised operations based on revolutionary communication technologies; the transformation of hierarchical structures based on networks; the creation of new horizontal and strategic autonomous agencies etc.
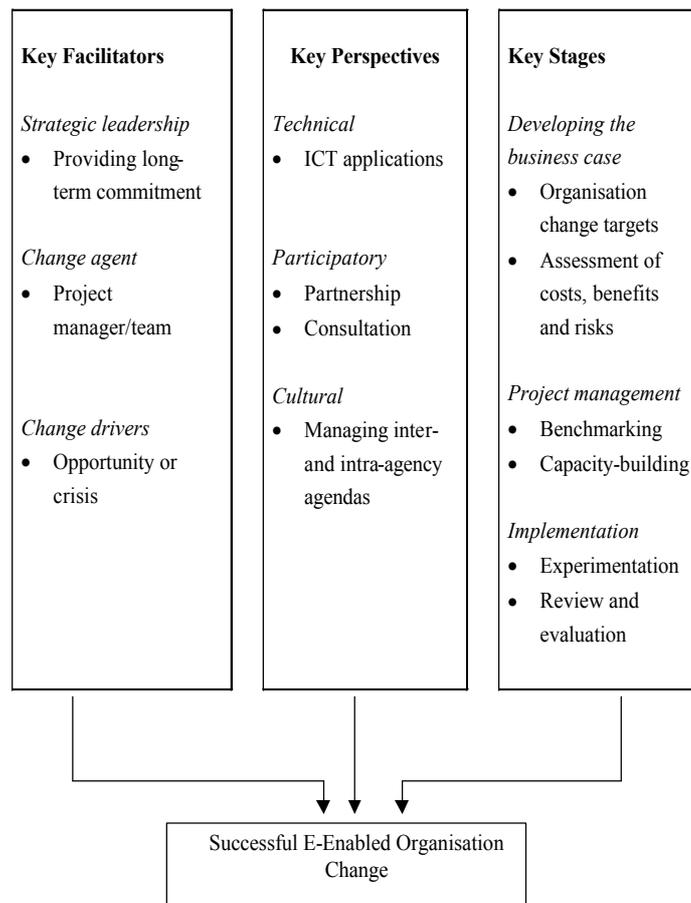
Evolving technology can radically affect public organisations not only by re-engineering current processes and structures but by also inducing fundamental changes to the state's strategic role. The provision of shared services (providing like activities in a standard way for several organisations) is also high on the government's priorities. In the context of the government's decentralisation programme in the coming years, such changes are likely to be necessary to support the transaction of the business of government in as efficient a manner as possible in the more decentralised environment.

Many organisations are also realising the importance of networked governance and of communities of practice to ensure that the knowledge and expertise required within regional or decentralised structures are maintained and new organisation structures facilitated by ICT (Intranets, online, e-mail, teleconferencing). Bovaird (2003) informs us that the proponents of radical redesign in public services suggest major rethinking − e-enable the right processes rather than the existing processes. He suggests that if this tendency were dominant, significant convergence would be likely to occur in the organisation structures and processes of public agencies and public services.

Significant changes in the way government conducts its business are on the agenda. E-government and organisation development can and should be intimately linked. But they are not necessarily so in practice. Why is there a gap between the rhetoric of change and the reality in many instances? If the benefits of e-government are to feed through into significant organisation transformation, what needs to happen?

Learning from the literature, the cases studied and the key informant interviews, a number of key points emerge from this study. Figure 6.1 illustrates the basic elements that need to be addressed in any e-enabled organisation change process. Starting with the identification of key facilitators, there are a number of factors to take into account. Strategic leadership is clearly needed to drive the process and secure ongoing commitment. The identification of a change agent

**Figure 6.1 Basic Elements in E-Enabled
Organisation Change**

Key Facilitators	**Key Perspectives**	**Key Stages**
Strategic leadership	*Technical*	*Developing the business case*
• Providing long-term commitment	• ICT applications	• Organisation change targets
		• Assessment of costs, benefits and risks
Change agent	*Participatory*	
• Project manager/team	• Partnership	*Project management*
	• Consultation	• Benchmarking
		• Capacity-building
Change drivers	*Cultural*	
• Opportunity or crisis	• Managing inter- and intra-agency agendas	*Implementation*
		• Experimentation
		• Review and evaluation

Successful E-Enabled Organisation Change

Source: Adapted from Boyle and Joyce, 1988

– the person or group primarily responsible for planning and implementing change – is a vital task which needs good selection and a clear mandate. Also, it is important to identify overarching drivers of change, such as opportunities or crises, they may act as a 'push' or impetus to overcome resistance.

In examining key perspectives of the change process, it is obviously important to consider the technical perspective; the changes to the tasks or activities to be carried out through the application of ICTs. But it is important also to be aware of the management of the participatory and cultural perspectives. The participatory perspective brings to attention issues such as the need for ongoing consultation and the use of a partnership process to facilitate change. The cultural perspective ensures that, in implementing change, the impact on people's underlying beliefs, values and norms are taken into account. This is particularly important when the change process involves different organisations that may have different cultural and normative frames of reference.

Finally, the management of the key stages in the change process is crucial to ensuring successful organisation change. At the start, in terms of analysis and planning, it is vital that the business case for the change is developed. This needs to be followed by good project management practices, including the building of capacity and capability to see the change through. Implementation then requires a willingness to experiment and a commitment to monitoring, review and evaluation so that actual results are constantly tracked against planned targets.

In applying these basic elements of e-enabled organisation change, a number of factors driving successful change are particularly relevant in facilitating organisation transformation arising from the introduction of ICTs. These are discussed in more detail below.

6.2   Ensuring organisation transformation: key factors in promoting change

6.2.1 Identifying and using an overarching driver of change: creative use of a crisis and/or the modernisation agenda

The case studies examined outline a number of factors that determine why and how organisation changes happen. One significant factor is the presence of an overarching driver of change that stimulates the desired changes. One such driver is the modernisation agenda in the public sector, which advocates greater efficiencies at both intra- and inter-organisation levels. Another pertinent driver is reaction to a crisis generated by such factors as outdated structures, or old technology systems which cannot cope with increasing demands on services or meet growing customer expectations. In some cases studied, both of these factors were catalysts of change. Change agents can use such drivers to leverage change. In particular, the embryonic linkage between pay and performance as part of the modernisation agenda at the national partnership level under *Sustaining Progress* (2003) provides the basis for a strong incentive to promote e-government facilitated organisation change.

Bovaird (2003) identifies a number of other overarching drivers of ICT-enabled organisation change, including: a growth in the theory and practice of customer relationship marketing, building up and using a much more detailed knowledge base in relation to clients' needs, wants and likely reactions to services offered; the development of holistic needs assessment, based around clients' desire for a better quality of life (rather than better services); changing public expectations with respect to service quality; and new methods of staff working, such as part-time working, flexible hours etc. The key point here is that in using e-government to leverage change, it is important to make creative use of overarching drivers of change, whether these come in the form of crises or opportunities.

6.2.2 Building a business case that includes planned organisation change targets

Several of the case study organisations and recent literature highlight another pertinent factor of change: the need for a strong business case both to underpin and crucially to outline the benefits of the change process. The use of planned organisation change targets sustains the momentum of change and ensures an incremental approach to change within organisations. The use of a business case model, assignment of an organisation change specialist/project manager to instigate a plan and oversee its phased developments and the use of milestones/indicators as benchmarks of progress can all ensure a smoother change process. Several key informants for this study advocate that there should be an obligation on organisations to set out a business case model to ensure effective transformation.

In developing the business case, shared services and outsourcing may provide additional opportunities in implementing e-developments, and in terms of alleviating skills limitations within the public service. As advocated by Fountain (2001) in *Building the Virtual State*, the implementation of e-government and organisation change has the potential to create a more agile public service with a more fluid structure and greater degrees of specialisation, including mobile specialisation or virtual groups. Where relevant, any business case model for e-government development and organisation change should include consideration of such options as the potential role of shared services and outsourcing.

In terms of assessing the business case, the Intergovernmental Advisory Board (IAB) Report (2003) suggests a number of methods for assessing the impact of e-government projects:

> The United States government requires the development of convincing business cases for large E-Gov programs, and for all cross-cutting E-Gov initiatives. These business cases require extensive analysis of the costs of each alternative (including 'do nothing') for satisfying a

business need weighed against the total benefits. Costs, benefits and risks of each alternative are evaluated in the context of the current situation. Potential funding sources, sponsors, partnerships and synergies are considered. Market demand and promotions are also considered in developing a business case.

6.2.3 Providing strategic leadership and management commitment

A very important element of the change process involves the buy-in and commitment of senior management to the transformation process. The instigation of joint e-government/organisation development initiatives is a medium to long-term process and requires ongoing commitment by management over a significant number of years. The importance of strategic leadership to sustain the momentum of the process cannot be undervalued in terms of a successful outcome for the organisations examined in this report.

Leadership commitment to the change process is one of the most pertinent factors in terms of sustaining the change process over the long term. This requires strategic leadership at the top to set out a vision and provide the drive to ensure effective implementation. Where organisations experience difficulties, this is usually evident where the communication between management, staff and customers is unclear in relation to the change process, where stakeholders are not consulted about the proposed changes and where there is a lack of top management buy-in to the change process in the public sector.

6.2.4 Ensuring and delivering effective project management (including benchmarking)

The importance of a structured approach to change is advocated by the organisations we examined in this study. At the outset of the change process many organisations established a project steering group or employed a project manager supported by the senior management team to

instigate the change process. A multi-phased project management plan was implemented by most organisations and benchmarks were either instigated at the outset or during the change process. These benchmarks should be related to the organisation change targets set out in the business case.

Risk management is an important aspect of project management. The IAB Report (2003) points out that many jurisdictions are undertaking portfolio analysis and risk assessment to assess the risk inherent in their e-government projects as a whole:

> A risk analysis considers the impact and probability that specific factors will impede the organisation's ability to realise the benefits of an E-Gov program. These include the risks of cost overruns, of technical obsolescence, or of becoming misaligned with political priorities. They also include the risks that program managers will not leverage the technology or that the target audience will reject a program. Risks of security and privacy violations must also be assessed.

As Bellamy and Taylor (1994b) note, a further significant issue is 'whether the technological capabilities for informatisation are outstripping the organisational, political and managerial capabilities of constructing, controlling and regulating new information systems and new information flows'. As part of the project management process, it is important that the capabilities of participants are taken into account and plans to address limitations put in place, through training and development supports, contracting out and so on.

6.2.5 Building inter-agency relationships

The introduction of new technologies has enabled greater communication flows and knowledge management within the public sector. This has enabled co-operation between and within organisations at a greater pace and level than heretofore. The management and exploitation of these new communication flows necessitates a re-examination of administrative structures and location and may lead to a

re-examination of the purpose of a number of public service organisations. The efficiencies provided by the new technologies will engender a re-examination of administrative structures and location. This is important in terms of regionalisation/decentralisation of organisation structures where communication links will become paramount.

But Bellamy and Taylor (1994b) accept that 'the very process of informatisation disturbs inter- and intra-organisation relationships in ways that are not easily controlled and reordered'. They thus stress that, 'if we are right in arguing that the modernisation of public administration depends on the effective exploitation of new information flows in government, then those factors which inhibit this exploitation will also inevitably compromise the realising of the new public management'. In managing organisation change arising from e-government, it is important to recognise that managing the inter-organisation aspects of change is at least as crucial as managing the internal organisation arrangements.

6.2.6 Involving the main stakeholders (partnership-internal, consultation-external)

Most of the cases studied involved both the internal and external customer in the change process from the outset. Internally, the partnership model enabled the difficult issues of change to be monitored and resolved on a regular basis in a consensus approach. A number of means were used to involve customers: creating a customer relationship management unit within the organisation; liasing with the customer in terms of gauging what needed to be changed to meet their expectations; suggestion boxes; surveys; and customer feedback.

Lack of attention to human and organisation aspects are significant factors which can undermine ICT investments. The case study organisations in this report underline the importance of partnership and involving the stakeholders at all levels in the process. Where organisations found

difficulties related to implementation of new technologies or structures it was often because the change was not communicated with staff at the outset. In some organisations difficulties arose with unions in terms of implementing new technologies and work practices in which staff demanded higher remuneration for these changes. The case study organisations in this report emphasise the importance of communicating and consulting with stakeholders from the outset and a good example of allying staff fears in terms of change is the partnership process which can provide a forum to negotiate terms and conditions of new work practices, structures and processes.

6.2.7 Providing long-term commitment

To facilitate the successful transformation of organisations there is a need to ensure commitment over the long term. In this context, it is difficult to sustain the momentum and commitment of management and staff over a number of years unless there is a clearly laid out vision, a business plan with directional indicators, a partnership process to involve stakeholders and a drive and 'buy-in' by leadership to the complete process over the long term.

6.2.8 Encouraging experimentation

Bovaird (2003) points out that the organisation changes effected through the e-revolution are only just beginning to become evident and that 'the most appropriate ways forward will only be uncovered through much experimentation within e-government and e-governance programmes'. The returns on e-government investment may not be clearly evident in the short to medium term. A certain amount of risk may be needed to fully realise the potential for transformation of public services and to exploit the efficiencies which are possible through innovative structures and technologies, and most importantly to ensure real quality service to the customer. These risks can be minimised by experimenting with different approaches and mainstreaming those that show significant benefits.
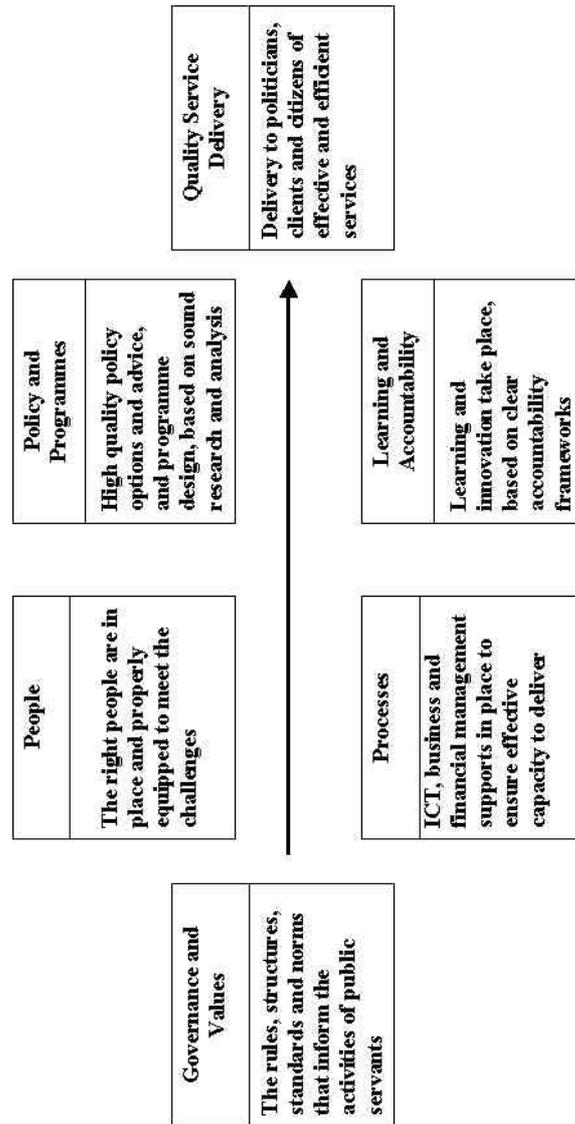
6.3   Conclusions

A central message coming out of this study is that organisation change arising from ICT developments is far from being simply a technical issue. Introducing ICTs and assuming that changes in organisation culture and practice will follow is a recipe for inertia and inaction. Rather, organisation changes arising from the introduction of ICTs must be explicitly planned for. In this context, it is necessary that those involved in the change process be aware of the broader issues that need to be managed above and beyond the introduction of ICTs themselves.

Figure 6.2 sets out critical issues of concern that need to be borne in mind when introducing organisation change facilitated by ICT developments into the workplace.

The governance and values parameters that inform the way business is done set the context for the change. If there is to be success in driving e-government in the future, several key informants suggested, there is a need for a centre of leadership to clearly and visibly drive the e-government agenda and to achieve buy-in by public service leaders. To this end, the ISC Report (2003), as noted in Chapter 5, advocates the creation of a central government agency to lead and implement change. Also helpful from a broad governance perspective would be the continuance of the explicit linkage between pay and performance established under *Sustaining Progress* (2003). Such a linkage can act as an important anchor for securing organisation change, when linked with verification of change. Organisation change should, in this context, be an explicit goal of ICT-enabled changes arising as part of the modernisation agenda. Similarly, it would be helpful if the Information Society Fund were to require targets/indicators of organisation change in terms of measuring returns on the investment.

The 'people' box in Figure 6.2 highlights the need to get the right people in place to manage the projects and bring about change. As noted earlier, the change agent role is a crucial one. The current supports for policy analysts being co-ordinated by the Centre for Management and

Figure 6.2

Critical concerns in the public workplace when introducing ICT-enabled organisation change

Governance and Values	People	Policy and Programmes	Quality Service Delivery
The rules, structures, standards and norms that inform the activities of public servants	The right people are in place and properly equipped to meet the challenges	High quality policy options and advice, and programme design, based on sound research and analysis	Delivery to politicians, clients and citizens of effective and efficient services
	Processes	Learning and Accountability	
	ICT, business and financial management supports in place to ensure effective capacity to deliver	Learning and innovation take place, based on clear accountability frameworks	

Organisation Development (CMOD) is aimed at producing staff with skills and competencies that are appropriate to this change agent role. Drawing on this expertise could facilitate successful change.

The 'process' box is where the ICT developments themselves are to the fore. ICTs can be used to promote functional integration within organisations and also across organisations. The planning processes needed to support ICT-enabled change are also vital here, particularly the need for the development of a sound business case and effective project management, as outlined earlier. Projects should be required to identify and enumerate the proposed benefits arising from planned organisation changes arising from ICT development. Rationalisation of process and data management is also required, with shared services being used as appropriate to enhance efficiency.

Regarding policies and programmes, ICT-enabled change will call for more administrative and programme integration: improving the design and co-ordination of a range of related administrative practices and operational programmes to better meet service user needs. The full impact of ICT developments will not be gained by organisations if they are imposed on old policy and programme structures and processes.

The 'learning and accountability' box highlights the need for tangible measurement of ICT developments in terms of their value to society. The IAB report (2003) points out that as the need for performance measurement and accountability has increased, many jurisdictions are performing more complex and multifaceted analyses to determine the relative value of different e-government initiatives, including business case studies, portfolio analysis, risk management and the balanced scorecard. Similarly, the ISC report (2003) suggested that governments must regularly evaluate the progress and effectiveness of their e-government investments to determine whether stated goals and objectives are being met on schedule. This includes organisation change goals and objectives. This requires, for example, personnel or efficiency savings targets to be clearly

enunciated at the business case development stage and clear targets set for their achievement during implementation.

Finally, with regard to quality service delivery, there is a need to take a serious look at service delivery channels and examine the opportunities for outsourcing, partnerships and the like to create empowered cross-organisation and inter-organisation relationships that more effectively address service user needs. The configuration and re-configuration of organisations will be affected by ICT-enabled change. Such issues are particularly important in the context of decentralisation.

To summarise, transforming the organisation landscape is a strategic challenge that involves focusing on the whole business change, not just the ICT aspects. In this light, McDonagh (2002) re-emphasises many of the points made in this study. He underlines the importance of good leadership and clear responsibility for ICT-enabled change and also adequate resourcing for the 'soft' aspects of change. He stresses the need for excellence in programme and project management skills and also robust risk management, taking a business-wide, rather than a project, view. He emphasises the need for effective measurement and management of benefits and effective communication between stakeholders. Importantly, he affirms learning from experience and sharing lessons learned. What needs to happen now is that the lessons from these experiences are learned and that the potential organisation transformation benefits of ICTs are made a widespread reality.

Appendices: case study organisations

As outlined in the terms of reference for this study, six public sector organisations were selected as good practice examples. These case studies were used to identify: the context for their achievements to date; the constraints experienced in implementing change; and to provide guidelines for other organisations who may embark upon a change programme. The majority of organisations assessed implemented their organisation change programmes utilising ICT developments against the background and impetus provided by the overall public sector modernisation agenda.

Appendix One
Civil Registration Service Modernisation Programme

Description of the e-government/OD change and the impact it has had

The Civil Registration Modernisation Programme is a joint project between the General Register Office (GRO) and the Departments of Social and Family Affairs (DSFA) and Health and Children (DoHC). Civil registration involves the recording of life events – births, stillbirths, deaths, marriages, and adoptions – of people in the state. There are approximately 104,000 events registered, 400,000 certificates produced and 1.2 million searches/enquiries carried out each year (GRO, 2001).

> The civil registration system was first introduced in Ireland in 1845 and while the registration procedures have remained largely unchanged since then, there was an acknowledgement that the civil registration service required an overhaul of the registration system and legislative framework to reflect the significant changes in society, developments in technology and in people's expectations in their dealings with public services (GRO, 2001).

Historically, there was a widespread perception of the civil registration service as the 'Cinderella' of the health service, as it was not in the cut and thrust of acute medical care. But, following the controversy over the payments in the medical card system given to doctors for patients who were dead for many years, the importance of having a new computerised civil registration system was recognised. A computer search took a few minutes to distill a list of medical card holders in each area compared to the old system of manual searching of ledgers where it would have taken months. The importance of the modernisation programme received greater impetus from the Department of Health and Children following the medical card crisis. The new civil registration computer system was linked to the hospital and

community care patient information management system (PIMS) as a result of the medical card controversy.

The modernisation of the civil registration service is also an important component underpinning the integration of public service delivery and e-government objectives of providing more convenient access to information and services:

> ... to facilitate the delivery of quality customer services by civil and public service organisations and to achieve greater efficiency in the use of resources, as required by Government, it is proposed to share registered life event data with Government Departments and Agencies who have a proven requirement and legal authority for same, e.g. Passport Office, DSCFA, Health Boards etc. This should significantly reduce the requirement for certificates across the public service and reduce the need for a person to provide the same information to several Government Departments/Agencies. The new body of civil registration legislation will provide statutory cover for the notification of life events to the relevant Government Departments/Agencies. (GRO,2001)

A consultation document, *Bringing Civil Registration into the 21st Century,* was published in May 2001, to let stakeholders know how it was proposed to modernise the civil registration service (CRS) and to enable stakeholders to provide feedback. Following on from this, the government approved expenditure of some €8.9 million for the modernisation programme.

The new organisation structure aligns with and supports the framework for the CRS of the future, based on eight design principles (legal adequacy, customer friendly, staff friendly, accuracy, privacy, standardisation, efficiency and paper-free). The organisation structure for the new CRS is framed having regard to two fundamental roles: the management of the CRS is to be carried out at the CRS headquarters and service provision is to be carried out by the health boards. The organisation design focused on centralising common functions to GRO headquarters, to

maximise economies of scale. The GRO headquarters will operate in Dublin until such time as new premises are available in Roscommon. Job descriptions have been developed aimed at clear understanding of roles and respon-sibilities at all levels of the organisation structure. In addition, clear reporting lines have been put in place to ensure that the relationship between the health board staff and GRO headquarters are defined and agreed. Responsibility for certain decisions, e.g. late registration, re-registration and amendments, has been devolved to superintendent registrars (GRO, 2000).

The modernisation programme was piloted in the GRO office in Cork. The new computerised GRO system was tested in the Cork office before roll-out to other regions. All staff were trained on the use of the electronic system. Of the thirty-one staff in the Cork office, twenty-one were upgraded as a result of new work practices. To register an event under the new system, people are requested to volunteer their personal public service number (PPSN) and to use digital signatures; this data activates other ancillary services (entitlements, services). An interface transmits the data captured by GRO in Cork to the Central Statistics Office (CSO) in Cork. This new electronic system takes paper certificates out of the system, with electronic data using the PPSN as an identifier coupled with digital signatures replacing the paper certificates. This will have an impact on many services, e.g. benefit entitlements, applying for passports etc. As a new departure, a registrar was placed in one of the Cork maternity hospitals to capture event data automatically on a computerised system, e.g. a baby born in the middle of the night will have a PPSN automatically allocated electronically the following morning and this will also trigger automatic benefit entitlements.

The next phase of the modernisation programme involves the development of an online system where users will be able to purchase certificates and conduct searches over the Internet. This online service is intended to provide a useful source of funding for further developments.

The main organisation and customer service changes arising from the modernisation programme are:

- The use of modern technology is facilitating changes in the way work is organised and managed, and in the roles and responsibilities of management and staff. Procedures have been streamlined and authority and decision-making functions delegated. For example, a clerical officer from headquarters who has volunteered to decentralise to Roscommon has been trained to deal with business type enquiries on the helpdesk (business enquiries, service provider and IT) in the Roscommon office.

- Electronic production of certificates will enable customers to obtain a certificate or register an event locally, anywhere in Ireland, compared to the current restriction of visiting the GRO district office or headquarters. Associated with the change in practice is organisation change, involving the devolution of responsibility to the local level in terms of amendment of a record and recognition of certain divorces.

- The computerised system will ensure immediate capture of data electronically regarding births and deaths, by appointed registrars who will record data in local hospitals. Using electronic registration of births provides automatic allocation of a PPSN and this triggers the allocation of ancillary entitlements such as child benefit to the family. When the first child is born a claim form must be completed but, thereafter, each child born will receive benefit payments automatically.

- The electronic recording of data enables data sharing between departments and agencies and will enable ancillary services to automatically activate around a life event, e.g. initiation of child services such as immunisation, health services. REACH will provide the inter-agency messaging service based on life events data. The modernisation of the civil registration service will take much paperwork out of the system, for example if a

person is applying for a passport, the passport office should not have to check for a paper birth certificate because electronic data will be on the system.

- In terms of sustainability and viability of the modernisation project, the computerisation of the civil registration service will enable the development of family research facilities over the Internet, a fee-paying service that will generate revenues from Irish people both at home and abroad who are tracing genealogy.

- The computerisation process has enabled the decentralisation of the GRO headquarters from Dublin to Roscommon and enables greater efficiency in terms of resources and services.

Drivers of change

A director was appointed to manage the modernisation project, with full support and commitment from the project management steering committee, the management teams from both departments and the directors of the health boards. The GRO management was very supportive, enthusiastic and committed to the project. A number of drivers were influential in enabling the modernisation project to work effectively:

- At the most basic level, there was widespread and shared recognition that the old, largely paper-based and manual system of registration of life events and exchange of information between the GRO and other agencies was inadequate to meet current and future needs. The medical card controversy was a prime example of the outdated nature of the service. This was a significant 'push' factor.

- The production of the *Bringing Civil Registration into the 21st Century* consultation document provided a coherent vision of the desired change. In particular, the document located the technological changes in the context of the wider modernisation of GRO services.

There was thus clarity of the role technology would play in facilitating organisation and customer service change.

- At the start of the change project, the stakeholders were mapped out and a consultation process was initiated with staff at every level. Effective communication tools (consultations, briefings, reviews, staff newsletters) were employed, and underpinned by a strategy to communicate the changes to ensure the support and commitment of staff and key stakeholders. Key success factors were ownership of the change process and involvement of stakeholders from the start, coupled with an effective communications strategy that enabled the successful implementation of the modernisation project.

- Good project management procedures were followed. Monthly meetings of the steering committee monitored the development of the change project. Reviews at the end of each important phase in the model ensured effective rollout of the model. The steering committee was made up of members from DSFA, DoHC, Department of Finance, and the Local Government Computer Services Board. Much of the work was progressed through four mini-projects: an organisation project, a legislative project, a history project and a technology project. Each of these mini-projects had a designated team leader. The steering committee oversaw the entire modernisation process. As there was significant overlap between the four mini-projects, this allowed for the development of teamwork between both departments and the regional offices. The four mini-project leaders had to report to the steering committee every 4-6 weeks about their plans, difficulties and risks. Similarly, a regional contact reported at each steering committee meeting. In every health board, implementation team meetings were held every six weeks, with good representation by a general manager/assistant CEO level (chair), IT personnel, head of maternity services and hospital staff, the superintendent registrar, HR, and a local trainer. At every

second or third meeting, the director of the modernisation project and the project team from Dublin headquarters would attend to discuss funding issues and provide support.

- Another key driver for change was the general e-government and public service modernisation agenda. In particular, the change project was closely aligned to one of the main modernisation themes – closer inter-agency co-operation, in this case using the Public Services Broker model. Given that the civil registration service is a key element underpinning this integrative, inter-agency collaborative model, it was important to modernise the civil registration service by decentralising and devolving responsibility to the local level, enabled by ICT developments.

- Outlining the scope of change early on in the process to all stakeholders, nationally, enabled the management of the project. This involved defining the business requirements for the technology and organisation changes coupled with a number of successful 'quick wins' using pilots to test the systems before going 'live'.

- The tailored training programmes, the fast uptake by staff of the new systems and the successful use of the new systems using digital signatures by the public, ensured that the pilot trials of the computer system were successful.

Barriers to change and how these were overcome

There were a number of barriers at different stages of the project:

- There were delays in going live on the computerisation pilot due to negotiations with the unions on willingness to carry out new work practices, despite the management stance that computerisation would make the processing of work easier and also lead to upgrades for staff involved in the process. In practice, computerisation has

meant additional work practices being implemented and management cite efficiencies generated as additional staff are not required. If the project were to be re-run, with hindsight, management would sit down with the unions at the start and spend more time outlining the intended changes and their impact. But at the time they were not aware that industrial relations issues were going to materialise when they commenced the modernisation programme. A positive element is that since the industrial relations difficulties have been resolved they apply nationally.

- There was a lack of basic computer skills among staff and a fear of change. This resulted in a tailored training programme being rolled out in each region.

- The inter-agency aspects of the modernisation project led to significant discussion and debate. As noted by Collins et al (2003):

  > While egovernment is meant to present an integrated, borderless view of government to the customer, the existing political, legislative and accountability frameworks demand that departments and agencies continue to work within their own boundaries. The question was at what point did transferred data become the responsibility of the receiving agency and how would system failures, errors and fallout be dealt with? These issues arose during the development stage and solutions had to be negotiated and agreed … there is a well tried and tested mechanism for assigning responsibility for customer data already set down in national and EU data protection legislation.

- The delays in roll-out of the Public Services Broker and the need for it to come on stream were emphasised in terms of future development. Participants in the modernisation project felt REACH was very slow and that they were a long time 'reaching for REACH'.

Main lessons learned in terms of using e-government initiatives to bring about real organisation change

In joint or multiple projects it is important to ensure commitment from senior management at the start, coupled with a strong governance structure to deal with the various components and myriad of multi-agency meetings (e.g. GRO, REACH, CSO and DSFA).

It is important to map-out stakeholders and involve them in the process from the outset and to ensure networks, committees and steering groups are effective channels of communication at various stages in the project. In this context, the need for a clear vision of the desired change, as articulated in *Bringing Civil Registration into the 21st Century*, provides the vehicle for stakeholder engagement and commitment.

It is also important at the outset to set out in a formal structure the roles and responsibilities for cross-departmental developments. As part of the whole change process it is vitally important to consult with staff and customers, to get buy-in to the change model and to have effective project management of the process. It is important to define the scope of change early on in the process, so that you can 'manage the beast' and this involves defining the business requirements for the technology and organisation changes, coupled with a number of successful 'quick wins' using pilots to test the systems before going 'live'

When implementing a modernisation programme, if the standards and structures are in place at the outset then the management of the change process becomes a lot easier. The key ingredients are communication with all stakeholders, involvement at all levels and, in the case of joint projects, commitment by senior management and strong governance to drive the project. The integration, connectivity and re-organisation are underpinned by the ICT changes.

Appendix Two
Donegal County Council and the Integrated Services Project

Description of the e-government/OD change and the impact it has had

In the early 1990s there was pressure coming from local and national level to improve the organisation and delivery of services. The local pressures derived from both staff themselves and the elected members. Two local reports (Reference: Engineers' Working Party Report and IPA Report) were prepared which outlined the problems identified by staff and elected members and how they should be resolved. Administration was viewed as very bureaucratic. Cthe administrative structure was viewed as very bureaucratic due to lack of communication across the organisation which was reflected in less effective customer service provision. At a national level, the public service change programme (*Delivering Better Government,* 1996) and the Information Society strategies to exploit new technology to connect government services together and to connect the services to the customer were driving the national change agenda. These were further augmented by national wage agreements, the Local Government Act 2001, the introduction of new financial management systems, the establishment of county development boards, the national development plan (2000-6), and the national spatial strategy (Mc Loone, 2003).

In 1995, the Donegal county manager established a project team to assess the possibilities for organisation change prior to the rollout of a service decentralisation programme. In 1996, the government published *Better Local Government: A Programme for Change* (BLG) outlining the agenda for the modernisation of the local government system. BLG advocated the development of one-stop-shop centres to serve as focal points for the delivery of customer-oriented public services. Also, in April 1996, the county manager outlined a proposed programme for change. This

organisation change programme was underpinned by the following crucial objectives:

- to create a new organisation designed around a clear structure of accountability for getting work done;

- to decentralise the delivery of the front line services to the electoral areas and to devolve authority for decision making in relation to individual customers or situations to front line managers;

- to establish electoral area committees with political accountability for delivering council work programmes and services in each electoral area;

- to establish the local authority as lead partner for integrating the delivery of other public services around the needs of citizens and for co-ordinating the work of local development;

- to create and sustain modern systems of financial, operational and service planning to achieve value for money in pursuit of agreed standards of service. (Mc Loone, 2003)

The county manager proposed to drive this programme of change with the assistance of a dedicated project team and change management budget over a period of 5-7 years. It was decided to decentralise council services to district offices based in the six electoral areas in the county. Subsequently, in July 2001 a partnership was formed between Donegal County Council, the North Western Health Board, the then Department of Social Community and Family Affairs, and FÁS to appoint a project manager to explore the possibilities of utilising the framework of the Public Services Broker (PSB) to develop integrated inter-agency services to citizens. The intention was that integrated service centres (ISCs) be established to enable the customer to access information, advice and services across multiple channels and multiple agencies at a single point (Donegal County Council, 2002(a), 2002(b), 2001).

The majority of the key objectives outlined in 1996 have been achieved. As of April 2004, services have been decentralised to five new electoral area offices, with one addition to be provided. Donegal has been selected as the national pilot site to model and test how integrated public services can be delivered to customers. Much progress has been made in creating the conditions for pilot testing. A new management and accountability structure has been put in place in which managers are fully accountable for all aspects of delivering the service (financial, human resource, quality of customer service etc) (Mc Loone, 2003).

As well as these overall inter-agency developments, the work of Donegal County Council has been divided into seven different directorates and into four levels of management. The four levels of management represent different levels of decision making and responsibility. Another fundamental aspect of the design is that of managerial roles and accountability. In the old structure accountability was divided between professional and technical work, administrative work, finance work, human resource work etc. In the new structure, each managerial role has accountability for all aspects of the work of the staff for whom the manager is accountable. As a result, the new structure distinguishes the managerial roles from other roles in the grading structure. The council employs over 1,000 people. Around fifty now have managerial accountability for the work of others, i.e. on average one manager is accountable for the work of twenty persons (Mc Loone, 2003).

Mc Loone(2003) also notes other perceived beneficial impacts from the change:

- The systems of decentralised service delivery and devolved decision making are making services and staff more accessible and are achieving other improvements such as clear accountability for getting work done, enhanced cross-service collaboration, greater accessibility to managers and staff for customers and members, sharper focus on costs and improvements in

the quality of services. A broad range of local authority services is delivered from local offices and the decision makers (area managers) are located in these area offices. Communication between service managers around the needs of particular towns, villages or rural areas is much speedier with face to face contact reducing the need for paperwork or long vertical lines of communication.

- The local authority has taken a lead role in partnering the provision of a wide range of public services from these new public service centres. This is helping to connect government to people through connecting the public agencies together. The data collected to date on the usage of these services demonstrates a high level of take up and satisfaction with the services. From January 2003 to December 2003, the public services centres recorded 30,000 customers visiting the offices and 120,000 telephone calls.

- There is seen to be potential to have increased productivity and to reduce unit costs, as accountable managers begin to use the new financial management tools to target cost reductions, productivity and improved quality.

Donegal County Council and the Integrated Services Project are in the process of setting out a business case model for the next phase in their development. Management emphasises that the project has to date achieved a co-ordination of agencies under the public services centres but that the next phase will involve a move towards greater integration through a business process re-engineering and mapping exercise. Now that the structure, agencies and centres are in place, the next phase is intended to fully develop the business case model for the integration of services.

Drivers of change

- *Clear strategic leadership:* The county manager selected a project team to co-ordinate the development of new

management structures to more effectively support the delivery of decentralised services and to develop integrated service centres in close partnership with the agencies. An inter-agency project board was established in 2000 and a project manager appointed. Project leaders were assigned in the principal participating agencies.

- *Well planned and soundly based structural re-organisation:* An international organisation specialist was employed to assist with the design of the framework for the new organisation structure within the council, based on the levels of complexity of work cross-referenced by the capabilities of employees. The structure implemented was based on the principles outlined by Elliott Jacques (1996) in his book *Requisite Organisation - a system for effective managerial organisation and managerial leadership.* ICT developments enabled an electoral area model of decentralisation to underpin the new management structures (Donegal County Council, 2001).

- *Corporate commitment:* An important element of the new decentralised structures is the strong corporate commitment from the senior management team in the council, together with the elected members. Active support has also been forthcoming from most senior managers in the partner agencies.

- *Fast delivery at a local level:* Using the 'start small, think big, scale fast, approach the majority of ISCs have been set up. The process started with a small number of services provided by the partner agencies and Donegal Citizens Information Service, gradually adding participating agencies and services.

- *Stakeholder involvement:* From the outset staff were involved in the process, and ongoing use of the partnership model as a vehicle for planning and consultation was another important factor (Donegal Local Authorities, 2001). The involvement of staff at the project initiation stage is seen as an effective way of

eliminating the conception-reality gap between instigation of reform projects and final deliverables.

- *Funding:* Funding sources for the ISCs include Donegal County Council, the ERNACT project between Donegal and County Derry local authorities, Department of the Environment, Heritage and Local Government, Comhairle and the Department of Social and Family Affairs in relation to piloting REACH and the partnership agencies.

Barriers to change and how these were overcome

- One of the major challenges in designing the new council organisation was to reduce so called bureaucracy or red tape. A number of questions were set out at the design stage: How many staff are needed? How many levels of management are required? How should this be determined? What is the optimal relationship between politicians and officials? Organisation design principles were employed to address these questions and challenges, but it is still a time-consuming and difficult exercise.

- The council was restructured into four levels of management. This needed to be done within the constraints of a national grading structure, and in effect the new grading structure was 'bolted' onto the national grading structure. This presented significant challenges and affected the pace of change.

- ICT enables the possibility of introducing longer opening hours and weekend openings but these are issues that require negotiations with the trade unions. The implementation of new structures in Donegal County Council required detailed negotiations with the unions, in the context of a nationally agreed framework for the implementation of BLG, which itself required lengthy negotiations between management and staff representatives. This facilitated the build up of confidence between management and trade unions to test

new ways of developing continuous improvement programmes. The partnership model of working and the recent national agreement *Sustaining Progress* (2003) are seen as useful mechanisms to assist in creating the conditions for this to happen.

- It has been a very time consuming exercise to develop the model of the integrated service centre and of the e-government model of delivery being developed by REACH. The amount of time such large-scale change programmes take should not be underestimated.

Main lessons learned in terms of using e-government initiatives to bring about real organisation change

- Strong leadership is a key ingredient in driving the change process. In Donegal, change would not have happened without the drive and initiative of the county manager and other key leaders. The project manager and inter-agency project board have initiated core work programmes such as service re-engineering studies, analysis of means tested services, contact centre feasibility studies and data analysis of common client information (Sheridan, 2003).

- A clearly articulated vision of the organisation change required is a key driver. In this case, the use of the organisation change model advocated by Jacques (1996) in *Requisite Organisation* provided a sound theoretical and practical basis for re-thinking the council organisation structure in the light of ICT-enabled service decentralisation.

- There is a need for buy-in locally and by other agencies, to provide a critical mass to further develop the integration of services. The engagement of additional agencies in the process is also important, in terms of developing co-ordinated shared services and common means-tested services across agencies. The development of integrated services offers the customer a singe point of contact for a variety of services.

- Communication and consultation with all stakeholders is important. Relationship building and trust building is important. This involves engagement and involvement with stakeholders, not just consultation. It is crucially important to provide strong leadership coupled with partnership building so as to minimise the chances of staff feeling threatened by the change. It is also important to be adept at gauging the pace of change and this involves having a vision but also having a realistic approach towards achievement. Gradual implementation of a plan enables people to feel comfortable with change because things are being taken in steps.

- It is important to quantify and demonstrate the benefits of the €40 million investment in the provision of new buildings, ICT and the organisation change project. This was done by undertaking a cost-benefit analysis, demand analysis and qualitative analysis to assess improved efficiency, and to test access and convenience to public services for the customer on the ground. Analysis of the savings should include an assessment of a more effective human and financial resources structure, designed to apportion responsibility at the appropriate level. Analysis is also needed of the benefits of integrated services in terms of providing a choice of access channels and the efficiencies generated by reduction of duplication of activities between agencies.

- Time and patience are vitally important steps in relation to large-scale organisation change using ICT: 'One clear lesson from our work is that these changes take time. It has taken seven years of sustained effort to get this far – it may take another seven to realise our vision of integrated public service provision to citizens' (Mc Loone, 2003).

References

Matiral provided by management in Donegal County Council and Donegal Integrated Services Project.

Appendix Three
Land Registry

Description of the e-government/OD change and the impact it has had

The Land Registry provides a system of registration of title to land, carrying a state guarantee. The main customers of the land registry are lawyers, professional law searching firms, financial institutions, public corporations, local authorities and private firms.

The organisation change programme assessed here involved revising the organisation structure and changing front-office and back office services. Business process redesign (BPR) was used to help structure the change process. As a result, senior management numbers remained static, there was an increase in middle management/ executive grades due to increased work, and routine dull tasks for clerical staff were reduced. Clerical staff were given the opportunity to retrain to executive officer/higher executive officer level. The re-skilling of staff was enabled by the implementation of new technology systems.

The change programme was initiated at a senior level. It was to some extent crisis driven as the paper-based system could no longer meet the demands and expectations of customers. The fee paying customers expected more from the service than it was delivering. There was low morale in the organisation and management had to look for a more strategic way of delivering services. Roll out of the change programme coincided with a boom in the property area with a doubling of workload from 85,000 to 160,000 applications for registration per annum. With the increase in volume of work, the old paper-based system would have been unable to cope with demand. In the past, staff numbers would have been increased to cope with the problem and, in this situation, senior management estimate that staff numbers would have doubled to deal with volumes based on the old system of work. But, the introduction of ICT-based access, imaging and information systems enabled only a 20-25 per

cent increase in staff accompanied by 100 per cent increase in work volume.

The change programme was overseen by the chief executive. Under her leadership a new vision and plan were drawn up with specific objectives and targets on how to achieve them. Because there was limited technological expertise in-house, at the outset, consultants were brought in to advise on and assist in drawing up a plan. A change programme steering committee was established, comprising the chief executive as chairperson, a Department of Finance representative and representatives from te Land Registry's main stakeholders (lawyers, professional law searching companies, local authorities and private firms).

The change programme provides a blueprint for project-based change. Since 1990 thirty three projects have been introduced. The change programme took place in the context of a review of the overall business strategy for the organisation, as developed through the strategy statement and business planning process. The business plan is a working document and was used to help get funding. The internal stakeholders, after some initial concerns, bought into the change programme once they had obtained clarity from the consultants and were assured that the vision or plan that was to be implemented was aligned to the organisation strategy statement and business plans. To allay union fears, management held communication consultation sessions with the unions and all internal stakeholders.

The IT system steering committee, which is representative of functional areas of the organisation, decides which projects are to be prioritised and the consequent resourcing issues. It was seen as important to give the steering committee this role rather than leave it to the Information Systems (IS) Unit. The steering committee won approval of all sections and brought on board both avowed technology people and disbelievers, this latter to avoid group think and to be representative of different ideas. A factor in the successful implementation of the change programme is to have people designing systems who are involved in the area, as this ensures acceptability of the

change project. A project management approach was adopted by the IT systems steering committee and a formalised approach was important to prevent a 'dog fight' over issues and expenditure prioritisation. To engender further innovations, an ideas committee was established comprising people at all levels in the organisation, to process ideas and to give credit to the relevant people. This broke down barriers and provided feedback to relevant areas, because staff saw that ideas were developed through their own peers and in their own areas.

Comparative systems in England, Canada and Australia were assessed when designing the online service delivery and organisation change components. No single model of change was used but a cross-section of ideas was garnered from, Internet websites in Australia, Canada and England. Also, an informal network of people in other countries (England, Northern Ireland, Scotland) was established to obtain useful information by phone call. The model employed by the Land Registry was a distillation of best international practice. Subsequently the UK looked to the Land Registry's model for developments on the technical side.

Business process re-engineering took place and staff were involved in a major retraining on a region by region basis. The change from paper-based searches to computer-based search systems was implemented on an incremental basis to achieve buy-in and a comfort factor during the initial phases of the change programme. There was no 'pilot', but change was implemented on a phased basis. Coupled with internal meetings with staff, a series of external meetings with customers was held, e.g. meetings nationwide with the Bar Council. It was crucially important to market the change project to solicitors and accountants to ensure a critical mass would use the new system and to provide an opportunity to demonstrate the benefits of the new system to their businesses. The positive benefits of the new ICT systems was the productivity gains that enabled a doubling of outputs, and improved service delivery in terms of both quality and time. By end 2004, all folios for the

twenty-six counties will be available online, including case tracking, and access to information on every folio, each having an imaged map available on the main database.

The benefits to customers of the new ICT systems include improved turnaround times and speed of service, greater convenience through extended hours of availability and the flexibility and utility of electronic data. The benefits to the organisation of the new systems include meeting the demand in terms of customer services; enhanced job satisfaction and working environment for staff by cutting down laborious tasks and the processing end of things; more organisation flexibility and improved work processes; improved perception of the organisation among customers and a better understanding of customer expectations due to successful consultation sessions nationwide and the use of customer focus groups.

Drivers of change

- *Crisis caused by paper-based system:* With an increase in volume of work due to a property boom, the old paper-based system would have been unable to cope with demand. In the past, staff numbers would have been increased to cope with the problem and in this situation senior management estimate that staff numbers would have doubled to deal with volumes based on the old system of work. But, the introduction of ICT-based access, imaging and information systems enabled only a 20-25 per cent increase in staff accompanied by 100 per cent increase in work volume. The electronic access system (EAS) increased in usage levels from 700 subscribers in December 1999 to 6,120 subscribers in December 2003 and the volume of business transactions per annum conducted through the electronic access system (EAS) rose from 36,496 in December 1999 to 497,560 in December 2003.

- *Strategic leadership:* The chief executive selected the programme change steering committee to co-ordinate and drive the development of new projects and changes

effected by the use of ICT systems. All functional areas in the organisation were represented on the steering committee. To allay union fears, management held communication consultation sessions with the unions and all internal stakeholders. The change programme took place in the context of a review of the overall business strategy for the organisation, as developed through the organisation strategy statement and business planning process. The change programme provides a blueprint for project-based change.

- *Partnership process:* The partnership process provides a useful forum for progressing ideas in terms of the change programme.

- *Stakeholder involvement:* Having a specific plan or approach brings all stakeholders on board. A business plan and an operational ICT plan were put in place. After some initial concerns, the internal stakeholders bought into the change programme having obtained clarity from the consultants and being assured that the vision or plan that was to be implemented was aligned with the organisation strategy and business plans.

- *Planning and project management:* The business plan was a working document and was used to get funding. The projects were matched into the organisation strategy statement and strategies were written up for everyone in a corporate data model.

- *Customer consultation:* There were extensive consultation sessions with customers. For example, promotion of the new system of electronic access for clients involved over thirty presentations countrywide to local Bar associations, law society and company and local representative bodies, in conjunction with seminars, information sessions, and live demonstrations. It was felt that it was important to communicate with the customer prior to going to the market, by explaining the new operating systems, and talking to solicitors at the design stage to see what type of system they wanted. The

change programme was a flagship programme and the Information Society Fund (ISF) came on board, and people became excited with the possibilities of e-service delivery.

Barriers to change and how these were overcome

There was considerable resistance to change at the start because of the lack of guaranteed funding from funding sources, coupled with a lack of co-operation from some unions because of competing interests. The management team benefited from the expertise of an external consultant and got 'buy-in' by the majority of unions and others gradually came on board. Management relied on agreements that were signed up at the central level, such as *Sustaining Progress*, enabling flexibilities for change at a local level. In practice, the co-operation provided by these agreements to cater for technical change and change in work practice was only slowly translated at a local level. This resulted in protracted negotiations with local union representation, who were not ad idem with management.

- *Stakeholders' concerns:* Many of the client groups of the Land Registry would have been wary of significant change in the way business was done, especially in terms of using computerised systems. To encourage buy-in by all the main stakeholders, considerable consultation between the Land Registry and its customers took place in advance of the implementation programme.

- *Funding:* The lack of predictability in guaranteed funding curtails the opportunity to plan in advance for a multi-annual project. Guaranteed provision of funding over a number of years is seen as critical in terms of planning ICT projects.

Main lessons learned in terms of using e-government initiatives to bring about real organisation change

A clear vision was set out and clearly spelt out to all stakeholders. The Land Registry recognised realistically the

capacities in-house and as a result brought in external consultants with expertise in ICT and the organisation change field to help with the design, development and implementation of the change programme. There was huge input by staff in the organisation and a huge investment in developing internal ICT expertise.

It is important to adopt an incremental approach to a change programme. To ensure successful implementation of the e-service, it is vitally important to promote and market the new service to all stakeholders. It is important to ensure that the organisation can provide technical and administrative support to customers of the new ICT systems. Existing and new means of communication with staff and customers need to be fully utilised when designing and implementing the change programme, e.g. partnership, consultation sessions, seminars, workshops, user groups, committees.

The determination and commitment of management is pivotal to drive the project. The chief executive personally oversaw the change programme. The role of the Information Systems (IS) Manager was vital in terms of project management. The director of operations, the corporate services manager and the information system manager had all worked in operational areas and therefore had a good understanding of the internal operations in the organisation and had a full understanding of the legal inhibitors to change. This understanding of internal dynamics is particularly important in an organisation like the Land Registry which involves a mix of legal, technical and administrative staff. The oversight provided by the steering committee, and the deliberate involvement of representatives of different parts of the organisation and a mix of ICT 'believers' and 'sceptics' on the committee was important in facilitating widespread acceptance of the change.

The business process redesign (BPR) involved altering the organisation structure and changing front-office and back -office services. Productivity gains and process improvements resulted in a revised organisation structure; new skills for staff; and an improved focus on line managers

making the most efficient use of staff resources. Using other administrations systems, to 'benchmark' the organisation (England, Canada and Australia) provided a useful context and drive for this approach.

Appendix Four
DSFA - Introduction of the Service Delivery Model

Description of the e-government/OD change and the impact it has had

In 2000, the department embarked on a new modernisation project aimed at delivering a high quality, proactive service to customers. The project was underpinned by lessons learnt from a business process re-engineering study undertaken in 1996. A service delivery modernisation project board was established to oversee both the IT and organisation change projects associated with the introduction of the service delivery modernisation programme. The board met on average monthly. The board was chaired by an assistant secretary of DSFA, and membership comprised an assistant secretary in charge of personnel, directors of the IT services and long-term schemes and a representative from the Department of Finance (CMOD). Reporters from this board provided feedback to both the organisation change project manager and the IT project manager. In tandem with the board, an organisation change project steering committee was set up which was made up of representatives from child benefit, long-term scheme management and management services as well as IT and organisation change project managers. Organisational change consultants reported to the committee.

The convergence of a number of factors prompted the department to redevelop its service delivery strategy: the need to prioritise better customer service given its importance in the public service modernisation programme; the commitment to electronic access to public services in the government's action plan for the information society; the need to ensure value for money in the use of resources through improved efficiency and integration of services; the need for an improved working environment for staff in the service delivery area; and the fact that existing computer systems were not capable of being adapted to meet the developing requirements of government policy.

A new service delivery modernisation programme (SDM) was developed by the department following an extensive examination of how best to deliver services in the future. Implementing the SDM involves a large-scale multi-year programme of change using modern technology and business models to achieve the transformation. The main objectives of the service delivery modernisation programme are:

- to allow the department to provide customers with an integrated service that is easy to access (in terms of time, place, mode of access, payment methods and language);

- to provide customers with a more proactive service that takes account of related services available across the public service;

- to respond faster to demands for change;

- to ensure effective systems for control of fraud and abuse in order to achieve better value for money in the use of resources;

- to maximise the benefits of information and communications technologies; and

- to develop progressive management and work practices and appropriate organisation structures, and to provide a better working environment for staff trained and motivated to use the new technology and systems.

The first phase of the service delivery modernisation programme involved the implementation of a new system for the child benefit scheme and a parallel programme of organisation change in November 2002 (see below for further details). A very significant factor influencing future service delivery strategy is the emergence of the Information Society as a concept. The Information Society Action Plan envisages the department playing a key role in the development of public service interfaces for sharing of information and access to integrated services.

The government is committed to delivering the full benefits of the information society to citizens and to ensuring that modern technologies are used to improve the way services are organised and delivered to customers. In this regard, a number of public service agencies under the sponsorship of the Department of Social and Family Affairs (DSFA) recently engaged in an initiative to integrate applications for the purpose of delivering significant improvements both in customer service and in the administration of these services. The projects which play a part in the initiative include:

- The Civil Registration Modernisation programme

- The development of the REACH inter-agency messaging service

- The automatic establishment of Public Service Identity in respect of children born in Ireland

- The development of an internal DSFA messaging hub − DISC

- The DSFA's Service Delivery Modernisation programme

The five projects combine to ensure that the registration of the birth of a child enables the seamless establishment of the child's public service identity and the subsequent payment of child benefit in respect of the child. More specifically, the child benefit system was enhanced in 2003, to integrate with the new civil registration system. The electronic notification of a birth registration to the DSFA is a trigger for the allocation of a PPS number for the child and initiation of the child benefit claim process for the first born child and also payments for all other children. In addition, changes in life events are the catalyst for the changes in the Public Service Identity.

The e-enabling of life event data (birth, marriage and death) and the sharing of this data with DSFA and other public service agencies is fundamental to the delivery of integrated services for customers. This initiative has resulted

in considerable improvements in the quality of service to the customer. A single interaction between the customer and one public service agency triggers the delivery of several separate services in another agency. There are significant advantages to the customer both in terms of the simplification of the application process and the speed of delivery of the services. There are noteworthy advantages for the public service agencies also. The streamlining and integration of a number of different services has resulted in a large reduction in the number of separate manual applications for service received and processed. The implementation of this initiative in September 2003 marked a major milestone in the government's commitment to improve the way services are organised and delivered to customers and is a key step forward in the implementation of the e-government agenda.

As noted above, the service delivery modernisation programme and facilitation of integrated e-government initiatives, such as the e-enabling of life event data, required changes to organisation structures and work processes within the department, both at management and operational level. It was identified in developing the service delivery modernisation programme that the greatest obstacle to the achievement of improvements in customer service, coupled with administrative efficiencies, was the inability of the department's systems to be agile enough to respond quickly to change, particularly changes affecting administration of large payment schemes. New structures, processes, roles and responsibilities have been developed initially in the child benefit area, to take advantage of the flexibilities afforded by the new system and to facilitate new ways of working. This work will progress over a number of years and will build upon best practice and lessons learned from the initial implementation in the child benefit scheme.

Service Delivery Model Phase 1 - Re-Design of the Child Benefit System

Child benefit is a universal scheme for the payment of child income support for almost one million children and over

500,000 customers. The redesign of the child benefit system encompassed the first implementation of the new service delivery framework and lays down the foundation for all social welfare schemes in the future. The project involved the building of a new ICT system for child benefit and a parallel programme of organisation change. This is the first phase of the multi-year service delivery modernisation programme. The project was initiated in February 2001 and implemented in November 2002.

The organisation change project team (a core staff of approximately 5-6 people) recognised that it would be critical to involve staff working in child benefit in Letterkenny from the outset. The staff faced a huge amount of change and it was important that they were involved. Issue and opportunity identification workshops were conducted with all staff to identify the key challenges and issues of concern. This quickly highlighted some key issues, in particular, unstructured communication processes, little or no variety in work and dissatisfaction with the rota arrangement to cover telephone duties. There was difficulty in winning staff approval initially due to industrial relations action on the part of the Civil and Public Service Union (CPSU) (representing clerical staff). IR action was related initially to the use of temporary staff in the child benefit area and escalated to demands for promotional posts in recognition of co-operation with the service delivery model project. Communication with staff on an ongoing basis was also considered to be critical to the success of the project. To ensure that all staff heard the same message and got the opportunity to voice concerns, a face-to-face communication strategy was adopted for the project.

The degree of change is very radical for the child benefit area and for the department – as a fundamental change of everything has taken place (e.g. the ICT system, structures, roles, responsibilities, claim processes, work processes, and accommodation). A significant level of training was required in terms of computer skills, work processes, supervision and management training. Support was made available in terms of online and paper-based training material and process

maps. Organisation change of this magnitude would not have been possible without the ICT systems to support it. As it was a radically new ICT system, there was no experience in developing the technology, and therefore it was difficult gaining some of the understanding necessary in the design of the new business processes, which resulted in a lot of re-work for the team.

As part of the organisation change project, criteria for a new organisation design structure were developed as follows:

- it should be customer centred

- capable of dealing with any customer query - 'once and done'

- where possible, be team based

- maximise and facilitate full use of the functionality of the new environment object architecture system

- empower staff to become decision makers rather than process followers

- facilitate greater variety of work for staff, opportunity for personal and career development

- have a clearly defined and effective management structure

- facilitate training and development of staff

- provide support to all levels in the organisation

- monitor and manage performance effectively

- be flexible and capable of adapting to change, e.g. GRO/REACH

- and be practical and implementable taking into account a range of factors, particularly the capability of the existing skills base to adapt to any new requirements in the short to medium term.

A new phase of the service delivery modernisation programme

In September 2003, a further phase of the service delivery modernisation programme was commenced which allowed for the proactive initiation of claims for child benefit by the department. This approach relies on the electronic transfer of birth registration data to the department from the civil registration system via the REACH IAMS (inter-agency messaging service). These three inter-linked developments support automatic and proactive triggering of the initiation of the child benefit claim after the birth of a child. This eliminates the need for customers to furnish a birth certificate to authenticate their claim and, for many, eliminates entirely the need to complete an application form as well. These developments are seen as being of significant benefit to customers. The department also achieved significant benefits in terms of a more efficient operation with a reduced number of staff.

Among the main benefits from an organisation change perspective as seen by management are:

- A new team-based organisation structure, with relevant roles, responsibilities, work processes etc, is in place.

- Staff are now multi-skilled and a child benefit claim can be processed by one person in one transaction.

- There is more efficient processing of claims and a more proactive improved quality service to customers.

- There is potential for significantly improved service for customers with the commencement of electronic registration of births from September 2003.

- The 'once and done' concept in relation to telephones is effective in 90 per cent of cases, provided by a dedicated contact centre team.

- Ultimately, there will be a reduction of up to twenty core child benefit staff on the full roll-out of the electronic registration of births.

- A reallocation has been achieved of the maternity benefit

scheme from the department's Longford office to the Letterkenny office due to staff efficiencies in the child benefit area.

- The child benefit section now has two distinct work units: a customer services unit delivering the day-to-day service to customers and a support services unit supporting the delivery of the services and managing control and HR activity and includes a dedicated training unit.

- There is more variety of work for staff and less manual work as the electronic system performs these tasks, e.g. personalised forms to customers are held on the system and the information is re-issued automatically, resulting in less paper in sections

- Deciding officer's decisions are certified using a digital signature.

- Correspondence templates are held on the system – resulting in better paper management and improved quality of correspondence.

- Access to certain activities on the system can be restricted to nominated officers for security reasons.

- There is proactive customer service – automatic issuing of claim forms to customers with children aged between 0-16 years (two months before their sixteenth birthday and end of certification).

- There are enhanced control procedures and system generated reports.

Work processes, organisation structures, roles and responsibilities were changed to allow for a more customer-centred working environment and to maximise the full functionality of the new IT system. The child benefit organisation is now seen as more flexible and agile, i.e. multi-functional teams working on the basis of 'once and done' processing of claims, allowing for faster claim

processing, better potential to respond to peaks and troughs in workload, improved standard and consistency of correspondence to the public (generated by the IT system), greater variety of work for staff, greater facility to monitor team and individual performance; potential reduction of up to twenty core child benefit staff and overall a better quality service for the customer.

In addition, the new systems in place (ICT and organisation) allow for interface with the General Register Office electronic data and in particular electronic birth registration which should lead to more proactive and efficient child benefit claim processing.

Development of the child benefit system and the related programme of organisation change was the first phase of a multi-year programme of change. Phase 2 has commenced and is concentrated on retirement and old age contributory pensions as well as related free schemes and the bereavement grant. This phase is due for implementation in late 2005. The service delivery model will be further rolled out to other schemes over the coming years.

No specific model of change was used. The project has built on the experience gained from a business process re-engineering study carried out in 1996, which recommended a 'breakthrough' approach to fundamentally challenge the way long-term social welfare schemes are delivered, in order to dramatically improve service delivery. This approach recommended multi-skilling of staff and a 'once and done' approach to handling claims. Modern technology systems were recommended as a key component to support the business systems.

Drivers of change

- *Vision provided by new thinking on service delivery inspired by the 1996 BPR study:* The new modernisation project aimed at delivering a high quality, proactive service to customers was underpinned by lessons learnt from a business process re-engineering study undertaken in 1996.

- *Vision linked in with broader e-government strategy and public service modernisation agenda:* The service delivery model and organisation change project were implemented against the backdrop of the overall public service modernisation agenda as outlined in *Delivering Better Government.*

- *Support provided by service delivery model project board and organisation steering committee:* Very significant support by the service delivery model project board and the organisation change steering committee was provided in terms of driving the project forward. Support was available at all times and there was openness to new ideas and proposals for radical change. The organisation change project was seen as an absolute requirement to ensure that the department got the full benefits of the investment in new ICT systems. The organisation change and IT projects when implemented would allow the department increased flexibility in implementing future policy and other changes proposed by government, provide much improved service for the public, and advance the e-government agenda

- *Structures and project plans were put in place to implement organisation and service delivery change:* The project plans assisted the team in being focussed on deadlines and deliverables and to break down what had to be achieved for each milestone. It was, however, important that these plans be seen as flexible, particularly given ongoing change due to IR difficulties and delays on the IT system development side.

The service delivery model project board was put in place to manage both the IT and organisation change projects; this proved to be very influential. The board met monthly but reporting arrangements were in place to check on progress between meetings.

A steering committee was also in place to oversee the organisation change project and met at regular intervals with the consultants, reporting on progress and issues for resolution. Review meetings were held with representatives

from both the service delivery model project board and the organisation change committee to review progress and adjust objectives and targets as necessary. Within the organisation change project, review meetings were regularly held and more frequently as 'go-live' day approached.

Barriers to change and how these were overcome

- There was scepticism among some of the staff on the ground that the project would not be implemented. They were of the opinion that in other initiatives they had contributed to workshops but nothing appeared to have changed on the ground. This was overcome by assurances from the consultants and the project managers and by involving staff in each stage of the process. There was also a number of visits by the top management team in the Department of Social and Family Affairs to the child benefit office to give support and assurances and to encourage staff by acknowledging co-operation with the project.

- Industrial relations issues arose from what was initially a local dispute and which escalated into promotion demands in terms of implementing the new systems.

- Initially, there was some resistance to change from certain sections of staff who were familiar with the old system and locations. There was some fear around the programme of change. This was overcome by a strong communication strategy, involving staff from the outset.

- The technology being developed was very new for IT and business staff, so there was a significant learning curve and this caused some delay which resulted in motivational issues. This was overcome when staff became more familiar with the system.

- To some degree the distance factor was an issue – child benefit was located in Letterkenny, IT staff were located in Dublin and some management and other staff involved were located in both Dublin and Sligo. This factor was

overcome by timely structured meetings.

- In general, the experience of the management is that cross section/department/agency projects are difficult to manage.

Main lessons learned in terms of using e-government initiatives to bring about real organisation change

Management have identified a number of key lessons:

- Prepare the ground for organisation change well in advance.

- Put a communications process in place to advise staff of progress and future developments.

- Adopt a partnership approach.

- Take time to listen to staff and allay fears; this pays dividends.

- Push for radical solutions.

- Be clear on expectations from IT and organisation change projects.

- Ensure there are no backlogs of work going into implementation of a new IT system and new organisation structures etc.

- Take steps to counter the difficulty in achieving the multi-skilling of staff while at the same time maintaining the day-to-day work activity.

- Provide skill training for the project team.

- There is a role for continued project management after 'go-live', during the bedding down period, to ensure and assist staff and management to adapt to new roles.

- There is a confidence issue around new ways of working and the use of a new system even for experienced staff – these impact on productivity.

- Identify management training and development needs at 'go-live' or immediately after 'go-live' to adapt to new roles.

References

The material for this case study is based on departmental reports.

Appendix Five
Civil Service and Local Appointments Commission (CSLAC)

The Civil Service and Local Appointments Commission (CSLAC) has responsibility for recruitment and assessment, for promotions and top level appointments in public sector organisations; and for broader human resources advisory services and labour market research/job analysis projects. (Andrews, 2003)

Description of the e-government/OD change and the impact it has had

A modernisation programme was introduced due to a crisis with the paper-based system and structures that existed historically. The service was not able to respond effectively to an increase in demand for competitions, there was low morale in the organisation and clients were disgruntled at the backlogs in filling posts and providing panels for departments and agencies. A high-level steering group was set up in 1999, which was representative of all client groups, to oversee the change programme. This steering group met monthly and comprised secretaries general from the Departments of Finance and Enterprise, Trade and Employment, an assistant secretary from the Department of the Taoiseach, and a Civil Service Commissioner. The modernisation programme which the steering group oversaw was based on a consultancy report commissioned by the steering group, which suggested 123 recommendations to the way the two commissions (Civil Service Commission and Local Appointments Commission) operated. Following on from the recommendations the Civil Service and Local Appointments Commission (CSLAC) was established. A new chief executive was appointed who set about transforming the organisation with a new business ethos by setting out a vision for change and communicating the vision to relevant stakeholders. A series of consultations with clients took place to explain the overall predicament of the organisation and to explain where the CSLAC should be and to re-engineer the service around the customer needs.

The primary driver for the organisation change is the customer focus: customer relationship management (CRM). A new CRM unit was established to interface directly with clients, to discuss issues and problems, to set up customer panels, develop a newsletter for clients and to provide feedback to the delivery end of things in the organisation, thereby creating internal awareness of the problem and effecting change. ICT developments enabled the change programme to be implemented within twelve months of initial consultations, as the system changed from paper-based applications to e-recruitment through an updated website using online applications. A careers store was set up based on a smart centre approach, which enables people to walk in or phone in or apply online, browse vacancies on CD-rom or online, view job profiles, apply for a job in person or over the phone or online, book an appointment for a test, and the result is given on the afternoon of the test. The developments in ICT systems enabled the streamlining of the recruitment. A database was created by adapting application forms to include an expression by candidates of an interest in future competitions in the area.

A team representative of all sections of the organisation was formed to design the career store, to ensure staff at all levels were involved in the transformation of the organisation. Partnership provided a useful vehicle to discuss proposed changes and to ensure 'buy-in' by staff. As noted earlier, the creation of the customer relationship management (CRM) unit has led to a greater awareness of clients' needs. Management numbers have been reduced at principal level and assistant principal level. However, it is increasingly important to capture information electronically by exchanging information between managers and sections.

Drivers of change

- *The modernisation programme is linked in with the broader public service modernisation agenda.* The modernisation programme was implemented and driven by the modernisation process happening in the public service (Strategic Management Initiative) and market

forces (labour market changes, economic growth).

- *Clear strategic leadership.* The chief executive informed and endorsed a new vision which would create a new business ethos in the organisation, to enable it to develop from a position of low delivery, high probity, inflexible systems to one where it was customer focused, competitive, flexible and retained high probity.

- *Corporate commitment and stakeholder involvement.* The chief executive and steering group sustained the momentum of change by providing leadership and commitment to the modernisation programme. The partnership process was used as a good communication tool to consult and involve all staff in the change programme and provided a coalition in driving change by empowering people to act on the vision set out. Management development programmes were put in place to develop the 'right team' to develop new approaches and to drive the change programme.

- *A number of short-term wins at the outset.* A number of short-term wins were crucial in driving further roll-out of the modernisation programme. Management believe that the implementation of the change programme is only sustainable if services are continuously improved by consulting with the customers about what they need and underpinning the process with up-to-date ICT systems. The CRM unit has enabled a new relationship to be developed with clients and has highlighted new opportunities for business improvements. The ICT systems have improved the efficiency of the service and enabled a new professional image and service to be designed around the client.

- *Good project management.* If the modernisation process had not been effectively managed through good project management, the process would have broken up into disparate groups working independently of each other (e.g. service delivery (front-end) side, process (back-office) side, customer relationship management unit). As

it was, they operated effectively together.

- *High degree of involvement by all business units.* There is a need for a high degree of involvement by all business units to ensure capacity to do the job, otherwise the IT side end up with having to deliver it all, so there is a need for a high degree of business unit involvement to engage in the specification, design and implementation stages of the transformation agenda. An interactive e-business strategy was developed to cope with the modernisation agenda and to keep the momentum going.

Barriers to change and how these were overcome

The consultation process with the client under the CRM unit was a slow process. It was difficult to find a comparative model in terms of CRM to use other than IT packages advertised by IT companies. Therefore, the CRM model used by the CSLAC was developed through practice and experience rather than any definitive model.

Internalising customer relationship management issues in the organisation can lead to friction between the process side and service delivery demands and these need to be managed sensitively. It takes time to change an organisation from an introverted 'the process must be right' organisation to a customer-focused organisation. It takes time for the new service delivery model to change the perceived image of the organisation and close the stark customer 'gap'. It took time to effect confidence and morale in staff, through the targeted use of management development programmes by empowering people through training and by selecting the right team.

The movement to a new corporate headquarters involved delays and setbacks which impacted on the change programme.

There was slow progress on legislative reform which affected the pace of change.

There was continual resistance from people who preferred their old comfort zones; therefore, quick wins under the new service delivery model was important.

Initially, when the IT system was developed, there was a high degree of expectation about what the system could do and when the system went 'live' there was disappointment in terms of the technical problems experienced and the lack of detailed application forms available online. But, despite these disappointments, 30,000 people registered initially when the online job application service was set up and the volume has increased as more competitions have been placed online.

Main lessons learned in terms of using e-government initiatives to bring about real organisation change

It is important to put forward a clear vision backed up by commitment and leadership from the chief executive and the management team. Momentum is gained by quick and visible wins in terms of the modernisation programme. Putting in place the right team of dedicated staff to respond to the change process is important, as is supporting them through training and management development programs.

ICT developments enable the transformation of the organisation but it must be aligned to the business agenda and therefore the business unit staff must be involved in the process of change to develop new approaches. It is important that it is not just left to the IT unit to implement ICT change. The modernisation programme involved a strategic shift in business ethos from a process/probity, low delivery, inflexible system to a customer focused, competitive, flexible, high probity business ethos.

The primary driver in the organisation is the customer focus; facilitated by the establishment of a CRM unit. Internalising customer relationship management issues in the organisation provided an opportunity to re-engineer the business processes and service delivery to cater for customer needs. The first phase provides lessons for the next phase which will involve the dissolution of the CRM unit and

integrating its functions into the work of all areas across the organisation.

The change process must involve all staff and the partnership process provides an important tool to consult and discuss ideas and proposed changes in the organisation. According to management, change will only be successful if the people in the organisation buy in to the changes and feel involved in the change process. The modernisation involves all the organisation, but equally, when it is successful all should share the credit and celebrate the success.

Appendix Six
Collector General's Office, Office of the Revenue Commissioners

Description of the e-government/OD change and the impact it has had

The modernisation of the Collector General's Office through carefully planned decentralisation and the implementation of a regionalised structure in Revenue as a whole underpinned by the latest ICT developments was in line with the Revenue's mission statement: 'to serve the community by fairly and efficiently collecting taxes and duties and implementing import and export controls' (p.1, *Revenue Statement of Strategy 2003-5*).

The core functions of the Collector General's Office are debt management and payment accounting. The Collector General's Office decentralised to Nenagh and Limerick in the early 1990s. There was phased decentralisation of 550 staff to Limerick between 1993 and 1995. There was also a decentralisation to Ennis of the Accountant General's Office, involving payroll, accounting functions, some repayments and such like. The Nenagh decentralisation involved about 60 per cent of the Collector General's staff and it also involved some customs functions. The decentralisation of the Collector-General's Office to Limerick was the single biggest movement of any government department since decentralisation began and was viewed as an opportunity to adopt a radically new approach to debt management and payment accounting, the two core activities of the Office. To enable the new approach, a major revamp of the main tax collection systems was also planned, with a view to integrating the systems into one consolidated system. The first phase of the Common Registration System (CRS), involving the integration of the basic registration details for all business taxes, took place in 1993.

The Integrated Taxation Processing (ITP) system integrated the business taxes under the consolidated registration system (CRS). This was the single largest IT project undertaken by Revenue and was planned and

developed in partnership with external consultants. This project delivered the first business taxes into ITP over the period 2000-2003. The project is continuing and development work has commenced with a view to including PAYE by 2005. The ITP system aims to provide up-to-date information on the tax status all taxpayers and businesses to all Revenue offices around the country.

With the CRS system in place, a new pro-active approach to debt management was initiated and supported by a customer-focused case management system referred to as AIM (Active Intervention Management). This enables caseworkers to identify cases posing a risk to Revenue and initiate compliance activity such as enforcement, levying of interest charges etc. This was a radically different approach to that adopted in the past, which was largely process driven and a 'reactive' approach. Supporting the AIM system is a management information system that allowed management monitor performance against targets. In addition, the management information system allows interrogation of the raw data for statistical forecasting and budgetary projections.

The AIM system allowed the Collector General's Office to move from being a 'reactive' Office to a 'proactive' Office, driven by risk-based criteria in terms of debt management. Defaulters were identified at an early stage and appropriate compliance activity initiated. As stated earlier, the management information systems allowed performance to be measured against targets and the improved efficiency and performance is reflected in the overall reduction in debt as a percentage of net tax collection (37 per cent in 1988 to 3 per cent in 2002). This achievement was not realised overnight, a major change in business/ taxpayer behaviour was also necessary. This change in behaviour was achieved by a combination of improved customer services and a targeted approach to the non-compliant individuals, all of which were supported by major IT developments.

On the payment accounting side, the introduction of new banking technology to process cheque payments has helped establish the Office as a 'virtual' branch of one of the major

banks with electronic exchange of payment data. This has led to efficiencies over the years in the area of payment processing.

The IT changes introduced in the Collector General's Office in recent years have led to efficiencies and a more cost-effective operation. This is in contrast to the late 1980s where there was 'sick-building syndrome'. This situation was reversed with the developments in ICT, decentralisation, deliberate redesign of the work and workflow, more specialised task-based teams and up-grading of staff as more mundane work was automated and staff moved to higher quality work.

Drivers of change

- *A strategic vision.* The importance of having a long-term vision to manage major change on an ongoing basis in the Collector General's Office is acknowledged by management as a main driver of change. The strategic long-term vision was influenced by a number of factors including the general economic conditions, the public perception of Revenue services and how the organisation should develop. This 'vision' laid the groundwork for the advances in IT and e-business. The move to Limerick allowed senior management to consider how best to review the business of tax collection and to introduce best practice from other Revenue organisations. These included:

  - re-engineering the business of tax collection and moving to a customer focus rather than process focus
  - integrating the computer systems into a single major system to support the customer view
  - eliminating the old and outstanding debt
  - introducing banking technology to manage the payments
  - introducing new payment options to commence the move away from cheque payments to electronic methods of payment

- providing the groundwork for the introduction of web technology and developing the flexibility to implement new and challenging work functions.

- *Leadership*. All major IT projects in the Collector General's Office are managed by a project board. The Integrated Taxation Processing (ITP) project board comprises senior managers from the business side and senior managers from the IT development team. The board is chaired by an assistant secretary in the Collector General's Office.

- *Customer focused approach.* The main business driver behind the introduction of CRS was the need to adopt a 'customer focused' approach to tax collection rather than the single tax approach, which had been the position up to then. A major drive by Revenue in recent years was to deliver a high level of customer services. It is acknowledged that the single most important change was the move to take a comprehensive view of customer portfolios across all taxes. The ICT developments over the last ten years provided an opportunity to restructure all tax compliance output in a more customer friendly fashion and provide more 'self service' options through the Revenue website, for example the introduction of on-line applications for tax clearance through the website. In addition, it was evident that a new debt management approach that focussed on rapid reaction on emerging debt was also necessary.

- *Changes to work practice.* The new AIM system supported by the management information system brought major changes to work practice and was seen as one of the early changes that helped to modernise Revenue and convey an image of an organisation at the forefront of new technology, embracing change.

- *Change management and training plan implemented prior to new IT systems roll-out.* All major IT releases are preceded by a change management and training plan, which is approved by the project board. The change management plan:

- sets out the business changes to be realised from the project and the proposed alterations to the day-to-day business process in the new system
- organises focus groups comprising staff from all grades to review the business requirements at an early stage and to ensure 'buy in' by the staff to the new system.

A full training plan is also drawn up and implemented as close as possible to the 'live' release date.

Barriers to change

The industrial relations element must not be underestimated in relation to the change process. Consultation with staff and involvement in the process from the outset is important to ensure that management are seen to engage all the stakeholders and to address their fears throughout the project.

Also in terms of staff issues, the structure of the staff in Limerick has generally been of a young motivated and IT literate workforce. Having a young workforce means a high turnover of staff, with a turnover rate of up to 20 per cent in some of the earlier years. The high turnover was a result of promotions, transfers and career breaks which can be expected from a young and mobile workforce. While this caused a disruption, it should be noted that the constant introduction of new blood is seen by management in the Office as in the longer run more than compensating.

Senior management must be open to the concept of innovative ICT projects in order to drive the process. After the initial innovative IT development projects worked, there was greater 'buy-in' generally by senior management in the Office to the whole change process.

Main lessons learned in terms of using e-government initiatives to bring about organisation change

Management acknowledge that decentralisation has been a very positive factor in the evolution of the Collector

General's Office. They feel that this is due to a number of factors including:

- *The early identification of business opportunities.* In the context of the planned move, efforts were made at an early date to identify what business opportunities might be facilitated by the move. An identification of potential opportunities enables a vision to be developed of the desired change.

- *Careful planning.* In particular, a detailed plan is needed which sets out the context and business case for the proposed changes. ICT development is put in the wider context of business improvement and justified in this manner.

- *Staff 'buy-in'.* Engaging staff in the process, particularly through the use of focus groups of staff from all grades, helps to take on board their concerns and needs in a structured way.

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Appendix Seven
Roles and responsibilities for e-government development

In May 2002, the government appointed Mary Hanafin TD as Minister of State at the Department of the Taoiseach with special responsibility for the Information Society. The minister is responsible for co-ordinating the Information Society agenda across all government departments. She is assisted in her role through the following structures: the Cabinet Committee on the Information Society; the Strategy Group of Secretaries General; the Assistant Secretaries eGovernment Implementation Group and the Information Society Commission. The secretariat to these committees is provided by the Information Society Policy Unit (ISPU) in the Department of the Taoiseach. The main e-government policy-shaping government units in Ireland are the Information Society Policy Unit (ISPU) in the Department of the Taoiseach and the Technology Policy Division (TPD) in the Department of Finance. The former deals primarily with the policy side of e-government, and the latter with the technical side. These two units have adopted a partnership approach, and together form almost a virtual unit for e-government. In June 2002, the Taoiseach established a Cabinet Committee on the Information Society and this drives forward the implementation of the Information Society agenda. The eStrategy Group of Secretaries General complement the work of the Cabinet Committee on the Information Society and address national strategy issues. The Assistant Secretaries eGovernment Implementation Group ensures that the Information Society policy is implemented in a coordinated manner across all government departments and agencies. The Information Society Commission, an independent advisory body to government, provides advice to the government and monitors progress towards the Information Society.

The Department of Finance is responsible for the Information Society Fund in partnership with the Department of the Taoiseach. There is a committee chaired by the Department of Finance with representatives from the

Department of the Taoiseach that administers this fund. Up to the end of 2002, over €154 million was made available to support projects across or through a wide range of departments and agencies. This fund has been an important vehicle in furthering successful realisation of Information Society and e-government objectives.

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