

# Chapter 10

## Electronic Government: Challenges for Public Services Consumer Behaviour and Value Creation

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### ABSTRACT

*E-government has become a priority for many governments around the world and one of the main change drivers in the provision of new services in the public administration context. As public services are part of a complex network in which citizens are the main players, public authorities are increasingly trying to identify and deploy programmes that promote the modernisation and simplification of public services based on knowledge management. This chapter aims to understand the impact of e-government initiatives on consumer behaviour, as well as the importance of knowledge management for value creation in the public administration context. The Simplex programme, the main initiative in Portugal to develop administrative simplification and e-government, is analysed within two contexts: the central administration and the local municipality of Oporto. This chapter highlights that e-government has been an important factor contributing to both the administrative simplification and the improvement in the quality of public services.*

### INTRODUCTION

Little has been said about consumer behaviour in public service institutions. However, just as private organisations, public institutions also “suffer” with the increased complexity of today’s world. Due to the excess of information and the changing needs of customers and citizens, organisations

must face the new socio-economic landscape in which customers have become more demanding and more aware of their roles within business firms and public service institution.

With the advent of E-government, the administrative and legislative simplification has become a priority and an essential task for many governments around the world. In response to these

DOI: 10.4018/978-1-4666-6547-7.ch010

challenges, electronic government has been one of the main changes in the public administration context in the last decades.

As a result of the many changes the world is undergoing, consumers are becoming more demanding, presenting a new behaviour in their relationship with institutions, whether public or private. This reality is even clearer when talking about services. With the improvements achieved in the delivery of public services, citizens are experiencing new behaviours with regard to the institutions. Thus, it can be said that changes in the behaviour of citizens is a growing and irreversible reality.

There have been contemporary trends that call into question the traditional governance mode, with the authority concentrated in a state in which the government embodies the will and general interest of its citizens with formalised, top-down intervention. These trends include privatisation, liberalisation, deregulation, creation of incentives for the involvement of civil society and promoting the involvement of citizens in all levels of government, through the sharing of tasks and responsibilities (Fonseca & Carapeto, 2009). In this context, governments worldwide initiated the development of E-government projects at all levels of public administration. E-government presents a great growth since the 2000s and evolved from a stage where information was available statically on websites to a stage where two-way communication tools between government and citizens and other stakeholders are available.

As information is disseminated through different channels and speeds, knowledge has become one of the most significant factors in generating value and wealth, being considered the only sustainable competitive advantage (Nonaka & Takeuchi, 1995). For the first time in history, mankind is creating far more information than one can absorb and is accelerating changes with much greater speed than one can follow. Certainly, this current scale of complexity is unprecedented (Senge, 1992).

It is therefore essential to develop knowledge management in the organisational context. The changes undergone by public and private institutions in order to secure competitiveness in their markets are characterised by the rapidity with which their activities are developed to suit the requirements of their customers and other stakeholders. The development of knowledge management, and the consequent learning processes, allows organisations to keep abreast of newness, to add value to their products and services and to enhance their sustainability. The ability to absorb new knowledge is directly related to the organisational environment conducive to collaboration between organisations and to the commitment and motivation of its employees (Moreira, 2009).

Government agencies are continually interacting with a broad range of individuals, which is one of the major challenges governmental institutions are facing. In this manner, being customer-centric focused is a challenge that public institutions face today.

In Portugal, the Agency for Administrative Modernisation (AMA), is the entity that, according to its mission, "...identifies, develops and evaluates programmes, projects and measures to modernize and simplify administrative and regulatory framework and promotes, coordinates, manages and evaluates the system of distribution of public services, within the policies set by the Government" (AMA, 2014). In Portugal, AMA is responsible for the deployment of customer-centric approaches and knowledge management within public institutions.

Created in 2006, AMA is a public institution that operationalises transformation initiatives and fosters the participation of all different stakeholders in the implementation of knowledge management in the public administration sector. Its main focus is to improve services for citizens and business firms alike.

AMA's main responsibilities are: a) to support the government in the definition of the strategic lines and general policies related with the admin-

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