# Chapter XLVI Understanding the Dialectic Relationship between Intraand Inter-Organizational Cooperation

**Keith Baker** University of Southhampton, UK

### ABSTRACT

Information and Communication Technology (ICT) is often seen as a vehicle for organizational reform. However, the established literature on achieving ICT based reform tends to focus upon the private sector and is unsuitable for analysing the public sector. In the public sector ICT reform is usually delivered through complex partnership arrangements with private sector organizations. This seen the emergence of the Strategic Service Partnership (SSP) in which an interorganizational relationship is established between a public sector organization and a private sector organization. This partnership allows for the private sector organization to become the exclusive provider of ICT systems for the public sector organization. These ICT systems allow for intra-organizational communication and coordination to be achieved. As such reform which seeks to enable intra-organizational collaboration is shown to be dependent upon the establishment of inter-organizational collaboration. These two factors are understood in terms of a dialectic relationship.

### INTRODUCTION

Information and Communications Technology (ICT) plays an important role in organizational reform programmes in both public and private sector organizations. However, the existing literature on ICT based reform in the public sector draws largely upon studies of private sector organizations. This has led to the literature on ICT based organizational reform in the public sector ignoring both the political context and the sheer complexity of ICT reform programmes in the public sector. To address this gap in the literature, an in-depth case study of an ICT based reform programme in a local authority in the United Kingdom (UK) is presented. This study concerns the development of a Strategic Service Partnership (SSP) which is a cooperative interorganizational relationship between the local authority and a private sector organization based upon the provision and management of ICT systems. The study of the way in which this partnership emerged is able to highlight the importance of the political context and shows how the complexity of public sector ICT reform can be unravelled.

## LOCAL GOVERNMENT IN THE UK

Local authorities in the UK are most effectively understood as institutions (Peters 2005) which are made up of factionalised organizations (Pettigrew, 1972). A local authority consists of an elected council comprised of politicians divided into different political groups (or parties) and an administrative bureaucracy comprised of professional staff. The professional staff are divided between different departments which perform the specialised tasks necessary for the coordination of the authority, the fulfilment of statutory tasks and the implementation of the polices of the controlling political group. This bureaucracy is coordinated and managed by a Strategic Management Team (SMT) which forms an interface between the elected members and the organizational bureaucracy.

As local authorities are composed of different organizations and factions, operating within a single institution, their operation depends upon a series of inter and intra-organizational relationships. These relationships may be characterised as follows. An interorganizational relationship must be established between the elected members and the administrative bureaucracy via the SMT and between the different political groups. Intraorganizational relationships must be established between the different departments in the administrative bureaucracy. Should these relationships break down, a situation can develop in which a local authority becomes uncoordinated and policy execution becomes haphazard.

In the UK, local government exists within a unique legislative structure, as its position is not guaranteed constitutionally. Instead local government exists within a plethora of laws and agendas imposed by central Government and these determine the powers and responsibilities of local authorities. The UK Government has advanced a number of policy agendas which have affected local government and the most important of these are the New Public Management (NPM) which sought to increase efficiency and performance in the public sector. The agenda of the NPM was enshrined in law by the 1999 Local Government Act (S. 3, p. 1) under a concept known as Best Value (Martin, 2000) which required continuous improvement in the "... economy, efficient and effectiveness ..." of public sector organisations. The 1999 Local Government Act also gave an inspectorate-the Audit Commission-the power to inspect local authorities and examine their compliance with the Act under threat of central Government sanction.

# The New Public Management Reforms

The NPM has influenced public sector reform since the mid 1980's and still has a significant impact upon the public sector. Pollitt (2003) argues that the NPM is a "nebulous" concept that describes a large number of different agendas and reforms. The NPM is founded on a belief that the public sector is inefficient and overly bureaucratic. The existence of the bureaucracy causes the public sector to value procedure over performance. Furthermore, the public sector was deemed to be unconcerned with financial efficiency as it was unwritten by taxation and this was thought 13 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/chapter/understanding-dialectic-relationship-betweenintraand/20207

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