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The relationship of the business with the in-house IT department : A customer-provider perspective.

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The Relationship of the Business

with the In-House IT Department:

a Customer-Provider Perspective

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A thesis submitted in partial fulfilment of the requirements
of Sheffield Hallam University
for the degree of Doctor of Philosophy

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"Empedocles believed that there were two different forces at work in nature.
He called them love and strife. Love binds things together and strife separates them."

(J. Gaarder, 'Sophie's World').

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ABSTRACT

Unsuccessful IT implementations can often be traced to organizational issues. Some of these problems originate from failures of the working *relationship* between the in-house IS department and other areas of the business. Before interventions can be designed to address these issues, the nature of this relationship needs to be fully elaborated. Accordingly, the aim of this research was to develop a clearer understanding of roles played by the business areas and the in-house IS department, within the development, delivery and operation of IT services.

Anecdotal and academic evidence concerning the causes of relationship difficulties and their possible solutions was gathered, to enable the objectives of the study to be determined on the basis of the topics emerging from both practical and theoretical knowledge. After the research foundations had been established, grounded theory was chosen as the most appropriate methodology for the study.

Data acquired from U.K. Insurance companies was analysed for abstract concepts that composed the phenomenon and constructs developed to create a theoretical framework. This shows how the relationship between the IS department and other parts of the business is constituted from the mutual trust, credibility and interdependence of the work groups that are parties to the relationship. The framework also shows the way organizational climate, attitudes of individuals, processes and outcomes affect the formation of the three relationship bonds.

The validity of the research was critically evaluated against published quality criteria for grounded theory studies and limitations to the framework were identified. The plausibility of the research was tested by comparison of the framework with the existing research literature about customer-provider relationships.

The study concludes with proposals for further research work, including the operationalisation of the theoretical framework and the creation of a strategy to guide the development of the relationships in question.

Two contributions to knowledge are claimed for the thesis:

- It is a new, holistic, view of the instrumental linkages between an internal service provider organization and its customers.

- Interpretive methods have been under-utilised in the field of IS/IT research. This study provides an experientially based model for employing grounded theory to explore the organizational context of IT services management.

PART ONE: INTRODUCTION.

This part of the thesis sets the scene for the research. The boundaries of the research domain are explored by firstly establishing the context for the study and why problems with the relationship of the business and the in-house IT department merit attention. This is followed by a review of pragmatic solutions to these problems. The themes and issues identified in the first two Chapters are then elaborated in terms of the literature, leading to a statement of the research objectives.

1.1.   Research Context.

1.1.1   Origin of the Research.

(i)   It is almost a cliché that many businesses are leaving the certainties and traditions that have sustained them for decades, to face an uncertain and turbulent future. It is a future promised, or threatened, by the advent of consumer power, international competition and the emerging nature of e-commerce. Within this difficult business climate, the calls upon the skills and knowledge of those organizations charged with the provision of information systems and services are becoming increasingly challenging.

Although the challenges to the IT department can be traced to external and environmental factors, changes to the role and specific imperatives of the department are more difficult to identify. It is clear that the IT function must respond to a general belief that 'users' want more, at higher quality, to tighter deadlines and at a competitive price. Frequently, the future of the in-house IT department is said to be in doubt because of its apparent lack of understanding and insensitivity to business needs. IS executives, in particular, are criticised for a lack of business vision and are said to be at risk of being sidelined within the company. Furthermore, there is no shortage of polemics, strategies, and prescriptions about how the IT department must adapt and evolve to deliver services that provide real value to the business.

(ii)   A prescient article, written a decade ago by Earl (1992), called for a programme of 'putting business back into IT.' By this, Earl meant that IS professionals, must get to know intimately, the operations of the organization and to be acutely aware of what they, (the IT department), should be doing to align themselves with the values and norms of the parent enterprise. In other words, the need for the IT department was one of creating and developing value, through the working *relationships* between individuals and groups within the enterprise. The significance of this issue has not diminished over the last ten years. The view of Kutnick, quoted by Fielding (2002), lends support to the importance of researching this matter:

'The organization with strong relationship skills is better positioned to exploit opportunities, weather challenging times and add shareholder value.'

The development of relationships between the parties also featured in at least three and arguably four, of the eight imperatives for the future IS organization, identified by Rockart *et al* (1996). These strategies included the achievement of strategic alignment between the IT function and the business, partnerships with line management, alliances with third parties and the significant strengthening of the interpersonal skills of IS professionals. The empirical evidence also endorses a focus on relationships as a potentially significant and interesting area of the research: for example, a survey reported in *Computer Weekly* in 1997 (Appendix 'A') represents the many concerns and issues associated with relationships as perceived gaps between the parties.

(iii)   At beginning of present research it was possible only to articulate these concerns as something to do with the interactions of people and thus the nature of the subject fell into the realm of social phenomena. That is, the IT Department as a contributor to the business could only really be properly understood through the interactions of individuals and groups involved in the design, delivery and operation of IT-based services. However, the extent to which information systems are 'explainable' purely in terms of social interaction was not always particularly clear, since cause and effect in relationships can often be conflated. For example, the psychological commitment of an individual to an IT project and the actions taken to fulfill that commitment are quite difficult to separate when examining project processes and outcomes.

Although this type of dilemma is common to most, if not all areas of social research, the problem seemed to have been exacerbated for the domain of study because the complexity and dynamism of information systems and technologies can readily obscure the essentials of human interaction. This problem pertains to IS/IT management research in general, since there is no reassuring set of assumptions and limitations that can be invoked to provide a natural and discernible boundary to empirical investigations. Moreover, although an understanding of technological infrastructures or systems development methodologies can be helpful to the study of organizations, these elements, by themselves, do not necessarily provide the right perspective upon the organizational situation of the in-house IT department.

(iv)   Thus whilst technical issues and constraints must be acknowledged, the direction of the present research had to be directed toward the social dimension of information systems. This view was endorsed by initial readings of the research literature. These indicated the importance of social interactions rather than the deployment of technologies, for mediating the relationships between the IT department and other parties within the enterprise. As would be expected, there are conflicting ideas in the literature about the existence of relationship 'problems', their causes and solutions. The origin of the study thus lies in a personal reaction to these views found in academic and popular publications about the in-house IT department, coloured by the author's personal experiences of managing this type of organization. Although the author was faintly aware of personal bias at the first stage of the study, it was only during the development of the research strategy that the subjective nature of the research became truly apparent. It was only at this stage that the author fully understood the influence of assumptions derived from personal experience and history to the research position. However, some theorists such as Strauss and Corbin (1998 p. 38) strongly support the legitimacy of the personal perspective, declaring that:

'The touchstone of one's own experience may be a more valuable indicator of a potentially successful research endeavor than a more abstract source.'

Personal interest and motivation was also intuitively recognised as important for holding the author's interest, over what was likely to be a protracted period of investigation and thesis development.

1.1.2. The Research Aim.

(i)   The initiating factors mentioned above began to focus the research around the development of a theory about the relationship between the in-house IS department and the business areas within organizations. 'Theory', in this sense, being a set of concepts that might be used to explain these relationships. The next step was to express the purpose of a potential study as a research aim, which was simply, to develop a response to the question:

What is the nature of working <u>relationship</u> between the <u>Information Systems Organization, IT professionals</u> and <u>people in other areas of the enterprise</u>?

However, the specific objectives of the research, in the sense of its desired outcomes, could not be defined until the boundaries of the investigation had been mapped out. The author thought that a good way to start the definition process would be by deconstructing the research aim into its constituent elements. Accordingly, a definition for each part of the above question was developed, together with an interpretation of what this meant for the research:

(a)   Relationship:

The structure of the connection between individuals or groups.

Relationships imply a plurality of behaviours or interactions taking place between the parties. Here a simple framework given by Schein (1985) can be used to identify the potential reach and range of the relationships. He posits a three – layered 'Onion-Skin' model of organizations with activities, within the layers and between the layers:

(1) The personal relationship layer: based upon the abilities, activities, attitudes and roles of individuals.

(2) The functional relationship layer: based upon values, history, structure and management systems.

(3) The environmental relationship layer: based upon external financial, market and technical forces.

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Since the type of relationships to be explored were internal to an organization the investigation was to be directed to elaboration social linkages in terms of layer (1) and the implications of interactions between this and layer (2). That is, the research should be focused upon people, their behaviours and the organizational situations for these actions. The author considered that the nature of layer (3) and its affect upon layer (2) must be acknowledged but was likely to be of secondary importance to the development of the research position.

(ii)   Information Systems Organization:

A body, or functional element of an enterprise, whose purpose is to provide information systems and information technology-based services to that enterprise.

There is no commonly agreed name for the organizational unit that incorporates the roles performed by the in-house IS professionals. The author has used the term, 'Information Systems Organization', abbreviated to 'ISO' throughout the thesis, as a generic title for this organizational unit, which may vary enormously in scale and structure, (PC Week 1999). The industry sector within which the parent company operates, influences how the ISO is structured, as does the form of information technology infrastructure deployed (Broadbent Weill and Neo 1999) and information management policies (Brown and Magill 1994 ; Fiedler and Grover 1996 ; Brown McClean and Straub 1996). An ISO may consist of just a dozen IS professionals; other companies retain several hundred IT staff, working across a wide range of highly specialised jobs (Bicknell 1998).

Some businesses have completely outsourced IT and other internal services, leaving a core group for managing IS strategy and the contracts with external providers, (Willcocks and Lester 1996 ; Currie 1996 ; DiRomulado and Gurbaxani 1998 ; Kakabadse and Kakabadse 2000). There is indication that the trend toward de-centralisation and outsourcing is beginning to slow down. Indeed, the rebuilding of an in-house, corporate centre of IT expertise is becoming a feature of multi-nationals operations in the UK and US (Boar 1998 ; Jackson 2001).

The evidence from these studies is that a common model for many larger companies is to retain an in-house function, with selective use made of insourcing and outsourcing for the provision of IT services.

(iii)   IT Professionals:

Those engaged in a specified IS/IT related job as their main paid occupation.

The author has restricted use of the term 'professionals' to those individuals with job titles that include words, such as, 'information systems', 'information technology', 'information management.' Part of a job title may also incorporate an indication of status, organizational position and/or specialisations, such as, 'manager 'senior' 'architect' 'analyst' 'designer,' 'consultant' (BCS 2000). This definition of an IT professional excludes those employed within business areas, undertaking some form of systems development or responsibility for the deployment of technology (Feeny, Earl and Edwards 1997).

(iv)   People:

Any member of the enterprise who interacts with a computer system but is not an IS professional.

This wording has been adapted from the definition of 'end-user', given by Seeley and Targett (1997 p. 290).

(v)   Areas of the Enterprise:

Work groups, which may be called sections, teams, department, divisions, etc., within a corporate body or a business, which may be private or publicly owned.

'Enterprise' is a generic title for the parent organization, the boundaries, of which, delimit the relationships to be studied.

According to Turniansky and Hare (1998 p.87), a group is 'two or more persons who are interacting with one another in such a manner that each person influences and is influenced by each other person.' Groups are characterised by their common meanings, including collective identity, norms and ideals, a system of integrated roles and the pursuit of interdependent goals.

1.1.3. The Domain of Study within the General IS Research Agenda.

The accelerating pace of change is a challenge confronting any researcher in the field of IS management; even though the organizational or social context of information systems alters more slowly than the enabling technologies. The wide scope of the research area demanded that the author keep a balance between an open mind, so that the richness of the study domain could be fully appreciated, with a need to place some limits to the research. Two key issues affected the reconciliation of these apparently conflicting demands:

(i)   A general problem for the researcher is the diversity of the subject matter: a difficulty highlighted, more than two decades ago by Nolan and Wetherbe (1980). In the course of presenting a justification for an IS research framework they observed that:

'Although MIS researchers usually can agree on whether a particular paper is MIS research, they are often hard pressed to define specific criteria for their categorisation.'

The IS/IT environment has changed almost out of recognition from the time this research framework was developed but the general principles identified still provide a valuable starting point for a novice researcher. The framework describes how the transformational properties of an organization are determined by the interactions of a number of sub-systems: cultural; knowledge; structural; managerial. These ideas alerted the author to the need to include within the planned investigation the context and situation for psychosocial relationships of individuals and work groups.

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(ii) A second, underlying problem was uncovered by the author when undertaking an overview of existing secondary sources. The literature presented a very fragmented picture. There did not seem to be a continuous line of development, progressively building toward a common body of knowledge. For example, the social role of systems analysts and business 'users' has long been the subject of academic curiosity and discussion but much of the work carried out pioneers of the socio-technical ideal, such as Eason (1988), seems to have been virtually ignored by IT practitioners and theorists alike.

1.1.4. The Use and Limitations of Practitioner Opinion.

(i) Given the impetus for this thesis was a personal reaction to received opinion about the poor state of the ISO relationships with the business, a way to set the boundaries to the study was for the author to examine what those operating in the 'real world' said about these relationships. Evidence from these sources was valued, not only to help to delineate the scope of the investigation but also to illuminate the subject area with anecdotal evidence. The intention was to find out what was said by practitioners about the ISO-business relationship and the implications of these views for the research. In this context, the term 'practitioner' was taken to include IT professionals working in industry, commerce or the public services and IS 'users', such as business managers, staff, and directors.

(ii) When analysing articles in trade newspapers and similar publications, the researcher is confronted with the problem that often what is said, or, is reported to have been said, fails to focus on the core issues of a particular topic. Even a cursory examination of the material purporting to be the views of practitioners, can provide, through the exercise of journalistic license, more contradictions and confusion than clarity. There is little rigorous analysis undertaken, unbiased opinions or consensus. Nevertheless, examination of the articles within publications, such as *Computing, Computer Weekly, Datamation*, etc., presents a range of interesting opinions about nature of the relationship problem and actions to remedy the situation.

(iii)   The limitations of this approach for defining the scope of the research is that any specific views chosen to illustrate a point could be unrepresentative of general opinion. On the other hand, there is no evidence to say that the issues and concerns articulated by a diverse set of individuals are not indicative of legitimate topic areas, which should be addressed by this research. The author believes that nature of the sources only limits their use for developing testable, academic research propositions. The answer to the dilemma was to examine these articles with a high degree of skepticism: to be fully aware that there are often strong commercial reasons behind the comments. Accordingly, analysis of anecdotes and personal opinions has been used to gain an impressionistic feeling about the domain of research. Each facet has been evaluated by interpreting practitioner concerns in light of relevant academic research. The aim of combining theory and practice was to produce a list of topics forming an overview of the research domain. The specific approach was to seek an integration of two sets of views: the causes of relationship 'problems' and the 'solutions' to these problems. These perspectives are discussed in Chapters 1.2 and 1.3 respectively.

1.1.5   The Customer-Provider Perspective.

The discussion so far has introduced the research question, its context and a way the implications of the question may be studied. The need was to find a paradigm, in the sense of a general perspective or frame of reference that allowed these secondary research elements to be integrated, to form the basis for a research strategy. Accordingly, this Section identifies and elaborates upon two fundamental assumptions that underpin the research:

(a)   the interaction between the ISO and other parts of the business is founded upon performance of services and thus,

(b)   the relationship between the two parties may be therefore be constructed as provider (supplier) – customer (user).

A discussion of each key supposition is presented below.

1.1.5.1 The Service Perspective.

The justification for this view can be best presented by answering the question why the 'outputs' of the ISO are services and not 'goods', like software or hardware platforms. The case for the ISO as provider of services to the business, can be made by applying the general characteristics of services identified by Shostack (1977), Parasuraman, Berry and Zeithmal (1991):

(a)   Firstly and perhaps most importantly, services are mainly intangible. However, no offering is a pure good, or service, they fit on a continuum of attributes. The service 'product' is really a set of perceptions, based upon the customer's experiences of the provider's processes and people. Most ISO activities are characterised by high levels of intangibility: such as, responsiveness to customer needs, the reliability of an application system, or the empathy of help desk staff.

(b)   Furthermore, unlike a physical good, services are consumed, rather than acquired and owned by the user. An IS project produces little that is physical in nature: for example, you cannot directly touch application software, or the design of a Web Site. However, there are some material elements, including training materials, documentation, hardware platforms.

(c)   Services are also distinguished from physical products by a significant degree of inseparability: the deployment and consumption of a service are inextricably bound together. This is exactly the situation found with the information delivered to the customer through technology. Information, (the product), is perishable, because it is essentially created and used at the same time: the service delivery mechanisms are an inherent part of the 'merchandise.'

(d)   ISO services are also heterogeneous in nature. What can be offered to the receiver (customer) is heavily dependent on the performance of individuals having the requisite competencies and knowledge. The quality of some services, say network or PC support can be judged relatively easily, often against criteria set out in a Service Level Agreement, (SLA). Other IT services, such as project management or bespoke systems design, are based upon the more hidden or indirect facets of the ISO-business relationship, where service pricing can be complex and the value of a service quite subjective.

If the ISO is a provider of services, then it follows that the users of business information systems can be conceptualised as organizational customers, in the sense that they pay a price (monetary or emotional) for the benefits delivered by a service (Wensley 1990 ; DuGay and Salaman 1992). The investigations conducted by Lings and Brooks (1998) also shows that the subjective, perceptual frame used by individuals to judge a service, are for the most part identical, regardless of the form of the service. The argument for characterising the interaction between the ISO and the business as a range of services is supported by the comparison of the elements of IT based deliverables with the generic dimensions of a service, presented in Table One (overleaf).

Table One.

The Origin of IT Based Services Perceptions (after Lings and Brooks 1998).

Generic Internal Service Dimension	Applicability for IS/IT Based Services.
Tangibles	Not important?
Reliability	Yes, features in operational SLAs
Responsiveness	Yes, features in operational SLAs
Communication	Yes, features in customer opinion surveys
Credibility	Possibly - related to confidence?
Competence	Yes, features in customer opinion surveys
Courtesy	Yes, features in customer opinion surveys
Empathy (with the customer)	Yes, features in customer opinion surveys
Accessability	Yes, features in operational SLAs
Security	Possibly - risk avoidance an alternative?
Proactive Decision Making	Yes, features in customer opinion surveys
Attention to Detail	Possibly - implied during development?

1.1.5.2   The Customer-Provider Interpretation.

A key assumption for this research is a customer-provider configuration of the parties, which according to Dwyer, Schurr and Oh (1987) operates through two modes. Firstly, there are discrete, singular types of transactions. Processes here are designed, for example, to completely transfer the right to a good, such as storage media bought from a hardware supplier. In contrast, there are relational exchanges, where the processes are orientated toward satisfying customised, personal or non-economic needs: there is a high level of trust between the parties, shared ownership of the product and a limited transferability of interest. An example would be the services specified in a contract for the maintenance of an application software package. Moreover, Hakansson and Snehota (1995) and Gronroos (2000) maintain the view that with services even discrete encounters should not only be thought of as individual transactions but also as the basis for the development of those relationships which facilitate these forms of exchange between the parties.

Unlike consumer goods, services by their intrinsic nature require and must create some form of relationship, since the value of the 'product' is in its delivery by the provider to the customer. Using social interaction theory, Cook and Emerson (1975), Reichers (1985) and Ring and Van de Ven (1989 ; 1994), have all demonstrated how relationships are built through the flow of communication, actions and sentiment (feelings) of individuals. Importantly, the work of Cartwright and Zander (1968 p.26) suggests that all the relevant, higher order, group and organization level relationship phenomena can be constructed on the basis of the causes and consequences of individual exchange interactions.

The arguments made in this Section form the basis for the following justification to initially conceptualise the ISO-business as a customer-provider internal service relationship (see also Section 2.1.2.3):

- Provides a simple and non-prescriptive basis for understanding relationship interactions, which is not tied to an economic view but is also able to accommodate links constituted from required (role-based) and voluntary social exchange elements.

- Establishes a common frame to look at the consequences, people and situations, for the whole range of transactions between the ISO and the business: a customer or supplier could be an individual or work group.

- Enables functions and roles to be de-coupled. For example, although overwhelmingly, the ISO is the service provider, there are situations where interactions may be best understood with the ISO taking the part of customer.

- Gives a locus for improving organizational effectiveness, in the sense that customer-provider view points towards ways the ISO could satisfy the needs and wants of service receivers.

1.2 Relationship Problems - Causes and Consequences.

This Chapter and the next follow a similar pattern. Examples of opinion obtained from a number of anecdotal sources are presented as quotations, intended to highlight a particular facet of the ISO-business relationship. Each of the topics identified is accompanied by a commentary discussing the implications of that topic for the research study, supported by pertinent citations from the academic literature.

1.2.1. Poor Management of IT-based Services.

"There's still a central IT department, but the focus has changed. It's very much now 'the right service at the right price'. It's more customer-focused, and interested in understanding where the business is going strategically..." (Vowler 1996)

...Business ownership of IT implies taking responsibility for IT. Business has that clear accountability while the IT department more clearly understood its own roles and responsibilities, which was to provide valuable services, but not to run IT for the business", (Vowler 1999 [1]).

(i)   These observations lend credence to the contention of Hays (1996) that anything but a striving for excellent internal services might well destroy attempts to improve the quality of the services delivered to the external customer. In other words, although business strategy is necessarily focused upon external sales and marketing, most organizations will find these activities, by themselves, insufficient for success. There also must be a strong emphasis placed upon the value-adding capabilities of the *internal* customer service functions, such as the information systems department (Murray 1996).

(ii)   This contribution to the business from all types of internal service operations is well summarised by the injunction of Bhote (1991) that:

' ...internal customers need to be cultivated and their needs, requirements and future expectations determined. If the external customer is king; the internal customer is at least a prince!'

As mentioned in Section 1.1.4 the ISO was conceptualised as an (internal) 'provider' of IT-based services and the areas of the business 'customers' for those services. In the context of the research aim, customers being those who return a (monetary and emotional) price in exchange for the delivery of IT services. The concomitant of this paradigm is that to remain the customer's provider of choice for information systems and technology based solutions, the ISO must improve its performance, by rigorously controlling costs and raising the quality of their product. In other words, ISO must add value to the total enterprise, through services it provides to internal customers. In this regard, the work of Hays (1997) demonstrates that the challenges confronting the in-house IT department, with respect to its perceived contribution to the business are similar to those faced by other internal service providers. The views of internal customers commonly held about internal service providers include the idea that they:

- Deliver poor value for money.
- Give few clues as to might be reasonably expected of them.
- Are quite inwardly focused upon their particular agenda.

These type of customer perceptions are linked, in part, to the alignment of the ISO to the key values, objectives and behaviours of the parent business, combined with poor communication between the parties (Brown and Starkey 1994). In essence, the failure of the ISO is not only to be properly 'customer orientated' but also to be *seen* as being orientated to the customer.

1.2.2. The Customer Orientation of the ISO.

"Getting the formula right has concentrated on transforming IT from a predominantly technical services unit to a business partner. That has meant changing prevailing ideas on both sides of the IT/business divide," (Vowler 1998).

(i)   Rands (1992), Watson *et al.* (1993), Pitt Watson and Kavan (1995), Kettinger and Lee (1997) and Watson Pitt Kavan (1998) support the view that the recognition of the IS department as a service provider has gained ground in recent years. However, these same researchers also suggest that relationship problems continue to exist because the ISO is not completely dedicated as a customer focused service organization. That is, the ISO has not been able to fully adapt its processes, systems and organization to reflect a different philosophy for doing business with the 'users.' One way this position can be achieved, according to the view of Cash McFarlan and Mckenny (1993 [2]), is by re-thinking of the ISO as a business within the business. Vandermerwe and Rada (1988) and Vandermerwe and Gilbert (1989) coined the term 'servitisation', to describe this fundamental change of attitude: from a perceived role of being a manufacturer of something, to that of providing customer benefit through services. This new world-view can have important implications for the nature of organizational relationships. If the ISO self-identifies as a software production and support function, internal customers are mainly external to the processes. For the services-orientated provider, the customer is *core* to the processes and operations of the IT department. This way of thinking stresses human interactions (performance of a service) as the critical factor for the successful fit of the in-house IT department within its environment and not the implementation of technologies *per se*.

(ii)   Although there might be sympathy with the view that customers should be central to I.T. operations, objections may be raised that the service ideal cannot include systems or application development because these types of activity are not apparently characterised by service type exchanges. In the author's opinion, given the general features of services discussed earlier (Section 1.1.1) there is no conceptual reason to exclude typical IS development activities, such as requirements definition, design, application software acquisition etc. The service paradigm can include these as special forms of professional consultancy services. Indeed, it might be argued that the continuing belief that systems development is a form of manufacturing, predicated on maximising the efficiencies of software engineering, is one reason that some commercial IT projects are not successful (Day 1997). However, Hiles (1993) and Kliem and Ludin (1995) contest the service philosophy. They argue that systems development *is* a type of engineering, requiring management processes similar to those for Just-In-Time manufacturing.

(iii)   The meaning of the word 'relationship' conveys not only something about business interactions but also nuances of personal feelings, motivations and agendas of individuals. Here, the roles of the parties are important and how those roles are performed. The relationship between the ISO and the business areas has been taken to be that between a provider and its customers. However, a form of relationship mentioned by practitioners and industry pundits, designates the ISO as a 'partner' with the internal customers. This idea gave rise to number of questions in the mind of the author that had a bearing upon research. For example, are the expectations of partnerships different than for other types of service relationship? Does a supplier role mean that the ISO must compete against third parties – a partner does not? How does a customer-supplier affinity develop into a full partnership?

(iv)   A problem with trying to find answers to these and other questions about internal customers, clients and partners, is that for larger organizations, there can be many different types of internal receiver and user of IT services. Indeed, each and every work group will have its own personality underpinning the needs, wants and expectations of a service. Thus, the provider-customer perspective, whilst intuitively reasonable and seemingly endorsed within the research literature would be too narrow if interpreted purely in terms of economic forms of exchange. To understand the ISO relationships within the whole spectrum of internal customers required the research to include the investigation of social/political aspects of the IT service processes.

1.2.3   The 'Gap' Concept and the ISO-Business Relationship.

'Gaps' are supposed, deep-seated, cultural differences between the ISO and business and are frequently mentioned in anecdotal evidence. The following comments, made by senior business managers, from different organizations, are typical of customer opinion:

"Disciplined service management not only resolves these issues but also helps bridge the gap between IT and users: A key benefit is that it generates a good user-provider relationship based on better understanding of users and their business. It also increases users' understanding of the limitations under which the service provider operates", (Smith 1997 [1])

"...while the gap has existed since computers first infiltrated the business sector, it has narrowed in the past five years and, with concerted effort on both sides, will continue to do so. The fundamental culture gap prevents the two sides from communicating with one another," (Smith 1997 [2]).

"...It's a very real problem. But most service organizations face this problem of having to manage and meet customer expectations...", (Vowler 2000).

"...we still feel misunderstood by our colleagues and defensive about IT delivery problems that seem unavoidable. Where a high level of mutual understanding and tolerance exists between partners, the stress in the relationship is dramatically reduced," (Computer Weekly 14/05/00).

(i)   Although the idea of a gap between the parties to a relationship seems simple in concept, to date there has been relatively little empirical investigation into the precise nature of these gaps and of the factors influencing the magnitude of a gap. The key work in this area is that of Henderson (1990), Ward and Peppard (1996), Taylor-Cummings and Feeny (1997) and Peppard and Ward (1999). Pitt Berthon and Lane (1998) and Peppard (2001) have also discussed the issues and challenges involved with closing the gaps. The important themes identified within these and other studies are shown in Table Two. For the intended research, assessment of these gaps was not important: more their significance as general signifiers of relationship problems. The anecdotal examples were early indicators to the author of potential areas of interest. Whilst the detail was not clear, the practitioner comments seemed to imply that partially, these gaps are derived from incongruities in communication, mutual awareness and expectations of the parties.

(ii)   It appeared to the author that the intended investigation must be directed to studying the ways that beliefs and feelings about the other party are developed within the ISO-business relationship. Again, further questions sprang to mind. Where do the perceptions come from that the ISO is excessively costly and apparently insensitive to business demands? What is exchanged between the parties and how do these exchanges influence judgements? Clearly, there must be a perceived benefit to a relationship, since there would be little reason for it to continue. If this is a consequence of a service provided, are these feelings related to what was needed, or wanted, in the first place? Assuming that the design of the service and how it is performed in practice sustains the relationship, the next research boundary to be explored was to understand the existing state of knowledge about the development of expectations and evaluation of service outcomes.

1.2.4 Poor Service Quality.

"In order to measure whether IT is fulfilling business needs there has to be clear understanding of what those needs are, and a culture of co-operation and confidence between IT and business. This is not often there. Eighty per cent of respondents experienced serious difficulties in developing new evaluation systems mainly owing to a combination of poorly articulated business strategy and goals, unfavourable attitudes towards IT and an absence of good business-IT working relationships," (Willcocks 1998).

(i)   The above quotation shows support for a strong linkage between the behaviours of the parties within a working relationship and the risk of failure and dissatisfaction with an IT service. A substantial body of research exists about the factors influencing stakeholder satisfaction with the outcome of I.S. projects (Doll 1985 ; Tait and Vessey 1988 ; Geddes 1990 ; Newman and Sabherwal 1996). Of particular note in the field of organizational implementation of information systems was the work undertaken by Markus and Keil (1994). They highlighted the affect of different types of human interactions during the process of developing a service upon the judgement of outcomes. Satisfaction with an outcome is as much to do with feelings of knowledge and ownership of a service, rather than the delivered functionality of the software and hardware platforms.

(ii)   Personal relationships between the parties forged during service development stage are crucial to the eventual comfort with and acceptance of, the implemented service. Usually, this social interaction is labeled as 'involvement', 'collaboration' or 'commitment' of the stakeholders. In a study that sought to identify behaviours and attitudes that enabled or constrained cooperation in systems development, Cavaye (1995) identified four sets of factors influencing the social bonding in project work: organizational, personal, technical and work group specific variables. From this study, the author realised that these generic factors would likely be an essential feature of a theory of internal customer-provider service relationships.

(iii)   Amoako-Gyampah and White (1993) complemented the work of Cavaye by showing that corporate resource management policies and the positional power of the project members are key for developing the relationship between the developers and clients. This conclusion was endorsed by Keil and Carmel (1995). They found that a high degree of organizational support, leading to the creation of a shared sense of ownership, was the overarching influence upon the ethos of collaboration. This conclusion is consistent with the results of an earlier exploration of the social context for development activities (Robey and Farrow 1982). Although information technology has altered out of recognition since that study was undertaken the social nature of project involvement is likely to be unchanged, because the use of specific hardware or software is an implementation, rather than developmental issue. The two researchers discovered there was strong sense of engagement when the relationship between ISO developers and customers is characterised by a high degree of personal empathy and mutual trust in the results of the mediating mechanisms and communication channels underpinning the project. Thompson (1991), Ishman (1996), Havelka and Lee (2002) showed that the nature of the link between the project staff and clients evolves during the course of the development process. Championing of the project, willingness to undertake internal promotion of the service and proactive risk management are key to strong customer-provider relationships within the development process. In the service delivery stage, customer knowledge and faith in the competency of the provider helped to sustain the nascent relationship.

(iv)   Allingham and O' Connor (1992) completed an extensive review of the many different theories about why people like and use some systems but were dissatisfied with others. They concluded that satisfaction is only an indirect and relative indicator of a successful service and were concerned about the uncritical acceptance of satisfaction as a general evaluator of IT system quality. 'After sales' support given by the ISO, including documentation and focused training, was found to be equally important for fitting the information system within the social context of an individual's job and for sustaining the idea of a high standard of service in the mind of the customer.

This work and the others cited in this Section, formed the basis for an attempt to unite existing sub-models of IS development, deployment and employment. A framework developed Ballantine *et al* (1996) attempted to map causality between many of the constructs mentioned above. No single factor was found to be dominant or indeed, sufficient, to ensure user satisfaction with an IT service.

1.2.5 Inadequate Evaluation of Services.

"IT has promised to be a good spouse before, but the business may not believe those promises because of the projects that have failed in the past", (Warren 1999).

(i)   A theme running through the evaluation literature is that satisfaction with outcomes seems to be as much to do with perceptions, rather than technical performance of a service. The implication is that evaluations are not absolutes but are value judgements, framed in terms of the world view of individuals, the work group, or the organization (Yuthas and Summers 1998). However, a recurring conceptual issue with service evaluations is reliance upon the idea of 'satisfaction' (Kim 1990). This remains an elusive element for establishing service quality, because satisfaction is always relative: previous experiences and current situation will influence the attitude of the evaluator and thus conditions expressions of satisfaction (Whyte, Bytheway and Edwards 1997 ; Jones and Hughes 2001).

(ii)   Existing service quality research tends to be empirical in nature, looking at contingent factors, with weaker linkages to general behavioural theory. Perhaps as a reaction to this, some IS researchers have sought theoretical underpinning in disciplines that ostensibly have little to do with information systems. For example, the psychosocial idea of 'disconfirmation' (Swartz Bowen and Brown 1992 ; Beaton and Beaton 1995) has been used by Van Dyke, Kappleman and Prybutok (1997) to attack the conceptual impasse surrounding service perceptions and to explore how comfort with an IT service is a mental construction of the gap between expectations and outcomes.

(iii)   There is also the growing body of publications concerning the perceptions of service customers and suppliers, emerging from the seminal work on retail service marketing undertaken by Zeithmal, Parasuraman and Berry (1985). The original theory of service quality was subsequently refined and extended by the same group of researchers (Parasuraman Berry and Zeithmal 1988; Zeithmal, Parasuraman and Berry 1992). Some principles of commercial service operations discovered by these researchers have relevance to the management of internal IT services. In particular, exchanges between provider and customer are influenced by the perception of task interdependence and that differences in the views of the parties to a relationship represents an accumulative effect, derived from the vectors of a contributory series of gaps between service expectations and outcomes.

The author understood from the attention paid to service quality and evaluation within the existing literature the importance of these topics to the research. However, many existing studies seemed to have been focused upon specific interactions and, with a few exceptions, did not provide a holistic view of the relationships that help would the development of strategy for completing this research.

Notwithstanding the problems and limitations outlined in this and the preceding Section, the topic of service quality had implications for the author's eventual research strategy, since the study needed to capture how particular forms of activity drives the on-going evaluation of service relationships. In particular, the work of Parasuraman *et al.* discussed above, suggested that the investigation should look closely at the social processes affecting the magnitude and direction of perception differences, rather than seeking to identify psychological states of the individuals and then tracing back their origin to particular activities or encounters.

1.3   Relationship Problems – Actions and Solutions.

This Chapter looks at the 'answers' to the problems identified earlier. Again, the idea is not to explore possible remedies in detail but to use anecdotal opinion to illustrate different facets of the ISO-business relationship. Although much has been written about relationship problems, the author endorses the view of Bunderson Lofstrom and Van de Ven (2000) that the researcher is likely to be frustrated by a paucity of public sources detailing ways of addressing these types of organizational issues. Why this is so, is not immediately obvious but it may be because, as suggested by Swartz, Bowen and Brown (1992) that the study of services and role relationships is discipline-bound. That is, specialists in social psychology, marketing, or IT, for example, tend to limit their interactions to others in their field and fail to share across disciplines. To counter this artificial segmentation of knowledge, discussions have been grouped under generic titles, representing the different forms of management interventions and strategies advocated by practitioners. Many of the ideas that will be looked are found within the following quotation:

"...the only way to break out of the vicious cycle is to go on the offensive on three fronts. Firstly to change the IS organization structure and management practices to improve relationships with the business at all levels. To introduce development tools and processes to improve IS performance; and obtain board backing to change the business culture in relation to IT, as well as the IS culture in relation to the business, in terms of values objectives and priorities," (Computer Weekly 14/05/98).

1.3.1   Image Improvement.

(i)   A strategy for successfully managing the 'internal economy' (Ackoff 1993) recommended by Earl and Sampler (1998) is to establish an economic-power equilibrium between the parties. This could be achieved by using the principles of Total Quality Management (TQM), as an overarching strategy for engineering the service processes (Aggarwal and Rezaee 1996). Embedding the pursuit of quality, into each and every process supporting the relationship, requires that all work groups see themselves and *are seen* as both a provider and a customer of services within the enterprise. The goal of each group is to exceed expectations and thus to satisfy their 'customers'.

(ii)   An example of engineering satisfaction is for the ISO to develop its image through superior "after-sales" service (Paragraph 1.2.4 v above). This can be done, for example, by proactively using the support or help desk as the main window through which the image of the IT service provider is communicated to its customers:

"The support desk is pivotal to building better customer relations with the rest of the enterprise - it is the portal through which the rest of the business views its IT. It is also an area where you can get a quick win in the battle to align the IT with the needs of the business," (Vowler 1999 [1])

This type of initiative is consistent with the idea advanced earlier that relationships develop from the perceptions built from repeated interactions of individual (Liljander and Strandvik1995). Thus the aim of process engineering is not just to improve the process *per se* but to develop the customer's perception of that process. In this matter Bartlett (1989) and Barua and Ravindran (1996) press the case for expanding the horizons of IS professionals away from a technical interpretation of their jobs and to consider proactive management of interpersonal communications as prime focus of their role.

(iii)   Some years ago Hamilton and Chervany (1981a ; 1981b) identified several different groups of internal customer. Each group shared a perceptual frame that coloured their views and contributed to the general impression of the ISO within the group. The common attitude to the ISO will be derived from expectation of benefits to themselves and the match of the service to their needs. Amtoft (1994) extols the benefits of employing marketing (in the sense of promotion) for changing group attitudes by directing effort toward creating a common sense ownership of service processes. The idea of an image development programme for building the relationship of the ISO with the so-called 'users' is not new. Surveys of customer opinion can also help the ISO to manage customer perceptions and avoid what Karten (1994) diplomatically calls, 'communication conflicts:'

"One of the biggest dangers for an IT department is a discrepancy between its estimation of how good a job it does and what users think of its performance. The only way to map the two accurately is to measure them. It doesn't matter what benefits IT thinks users are getting, if users don't think so too", (Green-Armytage 1997).

The execution of a carefully crafted communication plan may well help to reduce, though doubtless not eliminate, the common situation of IS professionals promising services that cannot be delivered. In other words, management processes are required that avoid the creation of expectations that can't be met. This would help to prevent a feeling of distrust and even a reputation of mendacity gaining ground with the customers of the ISO. Harrell and Fors (1992) investigated the forms of activity that have most affect upon the reputation of an internal service organization. They concluded that effort should be directed toward building customer perceptions of 'value', by ensuring the service organization was seen to have a direct influence on overall business performance. This imperative leads naturally into discussion of ways of demonstrating this value-adding capability of the ISO.

1.3.2   Demonstrating Benefits.

"IT department created an investment decision board which is accountable to the senior management and includes representation from all departments. The purpose of the board is not just to sell the benefits of IT to the [company] *Board,' he says, 'but to monitor its implementation and ensure that it really does deliver ' ",* (Warren Op.cit).

(i)   If there is lack of clarity about the benefit to the business from IT based services then it is going to be difficult, under almost any set of circumstances, for the ISO, to create a positive image within the business community to prove the worth of the relationship. Actually demonstrating the benefits of I.T. services can be a complex and difficult matter for the ISO (Katz 1994) ; Remenyi *et al.* 2000).

(ii)   The relevance for this study are not forms of service assessment but the discovery by Ward Taylor and Bond (1995) that IS benefit management, as a discipline, was found in only one in five of the organizations surveyed. Although the proportion may have improved since that time, such a low figure might go some way to explaining the alleged lack of standing the ISO has with the business. In part, this may also be caused by the fact that the ISO is not treated in ways similar to other internal service providers:

"*In terms of spending, a lot of boardrooms make IT jump through hoops that human resources or marketing departments would never have to jump through. A survey of law firms, by Price Waterhouse-Coopers, showed that 90% spend blindly on IT and had 'no idea' what cost savings their IT investment will produce,*" (Ranger 2000).

No matter how good the ISO might be, it starts with a deficit of understanding – a critical factor in the development of customer perception, (see Section 1.3.1 above).

(iii)   The word 'value' has been mentioned several times in the discussion but exactly what it means in the context of internal services remains something of a puzzle. What is certain is that no service (or product for that matter) can be totally free of cost. Apart from the financial aspect, there is also the less visible but equally significant, non-monetary cost of the emotional investment associated with any form of service activity (Oliver 1990). The interest in this matter for the present study was the way individuals attribute these affective (emotional – social costs) and how they accumulate to strengthen, or diminish, on-going relationships (Barry and Crant 2000).

(iv)   In the context of IT services, most companies tend not to ask the ISO to make a financial profit but costs, even in zero balance pricing, cannot be ignored (Verner, Toraksker and Brown 1996). Charging-out is sometimes used as a suitable mechanism for consolidating operational and service support costs, possibly to aid performance benchmarking against external standards (Brelin 1993).

For the present research the intricacies of financial policies was not important but more how recognition of costs and by implication, the value of the ISO services influences relationships. In one of the rare papers about this topic, Berry and Yadav (1996) looked at the problems of communicating value by price. In a preamble to their study, they discuss how the intangibility of a service makes it difficult for consumers to make comparative judgements of 'value for money.'

The author recognised from the analysis of the literature, discussed in Sections 1.3.1 and 1.3.2, the significance of reputation within a service relationship and the effect of evaluation will have upon that reputation. This is particularly important when the business is considering the merits of different service providers, such as outsourcers (see Section 1.3.9 below). The author therefore felt that investigation of how a reputation for competence developed and the part played by evaluation in this process needed to feature as part of the research objectives.

1.3.3   Managing Organizational Politics.

"The Group IT director sits on it (steering committee) as well as other management teams in the business. This has created much more alignment between IT and business," (Vowler 1999 [1].).

(i)   Much research exists that suggests that organizational relationships are also founded upon the distribution power between the parties (Porter Alan and Angel 1981 ; Kakabadse Ludlow and Vinnicombe 1988 ; Davenport *et al.* 1992 ; Knights and Murray 1994 ; Overton Frolick and Wilks 1996). Politics appear in the conflict and co-operation surrounding the design of a service, as different forms of influence that might be used to get the things done that are important to individuals involved and also fulfil the common goals of work groups (Hickson 1990). Influence can often be seen directly in form of the 'authority' to regulate and circumscribe the power of others in a relationship, by requiring the other party to follow rules or restrictions.

An example is a common contention between the ISO and the business, concerning the need for customer adherence to hardware and software standards. At others times, power appears more obliquely, in the guise of persuasion exercised by the IS professionals to get 'user commitment' to a service development project (see also Paragraph 1.2.4 ii above).

(ii) The benign exercise of power within a relationship is thought by some researchers to be the vital ingredient for IS project success (Willcocks and Mark 1989 ; Connolly 1990 ; Hughes and Bayes 1991). The proponents of new technologies, like an ISO, are urged to be highly sensitive to the consequent changes to power balances, group interdependencies and corporate politics. The balance of control in service development decisions must be *visibly* tilted by the ISO away from itself to the customer. Implementation by the ISO of this political strategy will be rewarded with higher levels of customer ownership and satisfaction with the implemented service. In the setting of customer-provider relationship, the more the parties exchange financial, physical or intellectual resources, the greater the power each party will have over the other (Harvey 1989 ; Oliver *op.cit.* ; Pfeffer 1992 p. 145ff ; Reed 2001).

Giddens (1984 p. 32) divides these resources into two types: 'authoritative' and 'allocative. The former derives from individuals, using their power to achieve a desired outcome through the action of other people. For example, with regard to IT service delivery, power would be located with those in control of time-scales; budgets, service levels. Authoritative power is also present in the conduct of IT service management meetings, such as steering the direction of discussion, and mandating access to specialist skills or knowledge. In contrast, allocative resources reside in the technical/material aspects of the ISO-business relationship, such as ownership of design specifications, hardware platforms, software development tools etc.

(iii)   Sensing a disparity between the power of the supplier and the customer, some practitioners, industry observers and researchers argue that a 'place in the Sun' for IS professionals will apparently arrive with their direct representation at corporate board level:

An increasing number of IT heads are taking their place on the board alongside other support functions, such as finance and human resources, and earning their colleagues' respect ", (Warren *op.cit.*).

The sub-text is that the appointment of an IS professional to top management is not only important in its own right but also symbolises equity and balance between the political constituencies in the organization. An IT main-board director shows that there is high level political support and approval for the ISO in its role in the organization. However, a conclusion reached by Praeger and Overholt (1994), is that the low opinion of I.T. services, held by some customers actually stems from *failure* by senior IS/IT executives to understand or properly manage, power and influence within the enterprise. This position is similar to that maintained by Grover, Lederer and Sabherwal (1988). They deduced that political acumen is essential for influencing internal customers, particularly for demonstrating the benefit to the business accruing from the ongoing relationship with the IT department. In this context, the key skills appear to be an ability to detect and exploit opinion formers, or other powerful individuals and to be sensitive to organizational cultural issues, such as, status symbols, rituals and norms (see also Section 1.3.1).

(iv)   It is difficult to fully separate power and trust, since these are complementary forces within the customer-supplier dynamic. The importance of approval, respect and certitude of parties in their capacity to support the relationship can force the most appropriate level of co-operation. Here, Pfeffer (*op.cit.* p. 106) observes that power is associated with co-operative processes because political allies are often enrolled this way. A practical example is provided by the implementation of Joint Application Development (JAD):

"Winning over users, getting them involved in IT, sharing ownership and esprit de corps can sound insubstantial. In practical terms it can mean things as internally focused as joint application development workshops where delivery of a system is as much a victory for end-users as for IT, or as externally focused as setting up account managers to cherish business users, " (Green-Armytage *op.cit*).

JAD is conducted through structured meetings and has long been promoted as a part of the repertoire for supporting a user-centred approach to the development of information systems (Wood and Silver 1995). The obvious gains from the JAD approach are reduced project time-scales and improved requirement definition. What can be overlooked is that these forms of collaborative activity can also be political vehicles for permanently strengthening the links with their internal customers. Improvement to relationships can be realised through the use of workshops and team-working, to reduce organizational divisions and the destructive aspects of office conflicts, based around resource ownership and deployment (see iii above).

Consequent upon completion of this part of the research boundary definition exercise, the author concluded that it was important to include the political dimension of internal customer-supplier. In particular, the planned study needed to examine how organizational processes and systems enable the the ISO and the business areas to jointly own resources and deploy them in the collaborative work associated with the design, delivery of IT services.

1.3.4   Adopting IT Account Management.

"'Business information consultants such as myself act as links between the two sides and as catalysts. It is a complex role but vital, because senior business people have so many things to deliver and they can't be expected to be experts at everything including IT. They need people they can trust to make decisions and to act as interpreters with the IT suppliers,'" (Smith 1999 [1] *op. cit.*)

The need for proactive management of relationships between the in-house IS department and its clients has gradually assumed importance in the last few years (Laidlaw 2000). A distinct job has emerged with the title of 'Relationship Manager,' 'Client Executive' or 'Internal Consultant'.

Although IT account management tasks are essentially those of co-ordination and liaison, the job boundaries tend to be fluid (Iacono, Subramani and Henderson 1995; Day 2000). However, in the initial stage, the primary role is often as a communications conduit between the ISO and their customers:

"With a multitude of groups within IS, it was incredibly difficult for customers to identify a single person or group to own an issue through to resolution. The Service Account Manager role was part of our strategy to provide customers with a single point of contact, " (ITSMF Newsletter p. 4).

Development of account management is likely to see an expansion into activities concerned with integrating those service management activities that span both the provider (ISO) and service customers within the enterprise:

"Today, through building the right relationships, addressing issues and gaining the confidence of our customers, we (account managers) have become the ambassadors of IT Services," (ITSMF Newsletter February 1999 ibid)

There are, however, differing views about the necessity or even desirability, of creating a distinct job for managing relationships (Henderson 1990 ; Klepper and Willcocks 1998 ; Kerns 2000) The counter-argument to account management is most strongly put by Brown, McLean and Straub, (1996). They argue that 'partnering', in the sense of forging socio-political links with the business, is intrinsic to the role of IS managers and executives: in effect, relationship management is too important to be delegated to specialists.

The author deduced from examination of existing knowledge that the nature of the IT account manager's job was not of direct relevance to the study. What was more relevant was to include within the research an investigation of the ways by which mutual understanding of intentions and processes are exchanged between the supplier and customer. IT account management is just one of several ways this might be accomplished.

1.3.5 Implementing Management Education Programmes.

"Above all else, education is seen as the golden bridge that will span the two sides. You need to produce people who have knowledge and experience of both IT and business rather than just one or the other. Codd experimented with placing IT personnel alongside business colleagues in a bid to improve the two sides' understanding of each other's needs. Three months later, the IT people's views had totally changed and they had become far more business oriented, and the business people had changed the way in which they viewed their IT colleagues. The relationship between the two improved no end, " (Smith 1997 [1]).

"Both sides agree that the solution lies in a fundamental change of attitude founded on knowledge and understanding, a change already under way through natural evolution. What is important is to have a relationship of trust at that level because IT will be the one area of the company where the Chief Executive can't form an opinion and the IT Director could be telling him anything: and many do," (Smith 1997 [2]).

(i)   Practitioners advocate the frequent and mutual exchanges of factual information within a relationship and equally important what each party thinks and feels about the other party. Shown above are examples of how education can help to address the knowledge 'gap' problem (see Section 1.2.3). Anecdotal evidence is supported by the work of Spreng, Mackenzie and Olshavsky (1996). They demonstrated that knowledge and empathetic awareness leads to the development of realistic expectations and is strongly correlated with successful customer-provider relationships. So, if good interpersonal communications is an integral part of the development of healthy working relationships, then it follows that the precursors of good communication were topics to be explored by the present research. Some clues as to what to investigate were found in the observations presented below. Not only is the content of the communication important but the *way* the parties exchange information is also vital:

"IT talks in an arcane language; that frightens people away. 'That has to change,' she argues, 'because I don't think IT will survive as a purely techie function.' Equally, business managers need to reach out in the same way as they do with finance, where they understand the financial implications of projects", (Warren *op. cit.*).

A potential cause of relationship failure is that individuals lack the competencies and the motivation to share information, experiences and their personal ideals, since these lower the barriers to the establishment of common values and norms (Brown and Starkey 1994). There is also the frequent exhortation that business managers must understand more about IS issues; so as to properly assume their role in setting IS policy (Galliers, Merali Spearing 1994 ; Dutta 1996 Gurton 1999 ; Marchand, Kettinger and Rollins 2000). The implicit theme common to all these views is that the development of a common understanding is a *mutual* responsibility. Partially, this will be achieved through the development of communication skills:

"'It's a two-way street," says Baylis, 'and communication and information has to flow both ways. The IT department has to keep up with all the ongoing business trends and changes, and the business needs to be kept abreast of the new technology and what it can do,'" (Vowler 1998).

"'We had to use different techniques to get people involved. We went to business directors and said 'can you give me so and so,' asking them, 'What competencies do you need to manage and exploit IT properly?' to get a buy-in into the process. We wanted to improve the business's competence, capability and confidence in managing IT.'" (Vowler *op. cit.*)

(ii)   A feature of services discovered by Parasuraman, Berry and Zeithmal (*op.cit.*), subsequently confirmed by Jones, Subramani and Henderson (1996) and Cooke (1998), is that an element contributing to a positive judgement of performance is the customer's perception that the provider has the skills and knowledge to deliver a service. In other words, the customer must be assured that the provider is able to job the properly. Murray (*op. cit.*) is in no doubt that the failure of IS departments to satisfy internal customer expectations can be traced to IS professionals (as service providers) lacking the skills to fully communicate the magnitude, complexity and risk of the work that has been requested by their customers.

(iii)   Thus there seemed to be little disagreement among practitioners and researchers that proactive knowledge management contributes to good relationships. Interpersonal communication will be nurtured within organizations where it is recognised as a key competency of all employees. The implementation of this ideal, however, can be problematical where employees spend limited time in a particular job. Nowadays, it is not uncommon for specialists to only stay in the one role for a few years - even within the same organization.

The author concluded from this analysis of practice and theory that the study should explore how perceptions of internal service quality are built upon the exchange of factual knowledge and opinions between the provider and the customers.

1.3.6   Aligning Cultures.

" IT managers should view themselves as just another part of the business. 'The rest of the business is driven by profit and results and the board has made it clear to me that IT organization needs to be the same,' Pound says." (Warren *op.cit.*).

"By contrast, in organizations with no fear, there is an openness and flexibility and the overlap can be very creative. Successful organizations are those in which both sides pull together." (Smith *op.cit.*).

(i)   The topic of shared values is implicit within some of the management interventions already discussed. The question is: What are these 'values?' Athos and Pascale (1981) provide examples of the core beliefs said to underpin the Japanese idea of service. These include the qualities of fairness, co-operation, betterment (in the form of innovation and creation) courtesy, equity and honesty. Values are often associated, or seen as synonymous with 'culture.' However, the concept of corporate culture is open to many different interpretations and the issues are so wide-ranging they form a branch of organizational studies (Smircich 1983 ; Morgan 1986 ; Senior 1997 ; Checkland and Howell 1998).

(ii) Furthermore, a problem with 'culture', certainly as it features in practitioner views, is that it is used as a catch all for business strategies or corporate structures that are not directly to do with common organizational beliefs, values or ideologies. For the purpose of defining the research domain, the need was to identify facets of cultural elements relevant to internal customer-provider relationships. The author's understanding of culture was aided by the work of Burrell and Morgan (1979), who identified four broad cultural paradigms. Firstly, 'constructionists' believe that culture is purely a mental abstraction – a metaphor constituted from symbols. 'Realists' hold the converse view: that culture is a variable, capable of meaningful analysis. With regard to cultural origins, one school of thought maintains that internal world of the organization comes from the external world as consequence of the organization's contact with society, sector of the market, competitors etc. This is the 'structualist' view. The competing 'interactionalist' perspective denies the independent existence of these higher level components: culture, it is argued, is derived from interactions between individuals.

(iii) The author's position on culture as a structural element of internal customer-provider relationships is detailed in Paragraph 2.1.2.1 of the thesis. Suffice it to say at this point, that the view adopted by the author was that culture is overwhelmingly, an actor-level psychosocial phenomenon: a gestalt created by individuals. A complicating factor to understand the implications of culture is that power and internal politics are frequently brought into cultural issues (Pfeffer *op. cit.*). With regard to service relationships, Schneider (1980) and Schneider and Lovelock (1988) believe culture cannot simply be understood in just terms of these two elements, since they are manifestations of sub-cultures of customer and suppliers. As Schein (1992) points out, in any organization (but the very smallest) there will be different social communities. Each of these will have its own particular sub-culture: a group consciousness or belief system developed from the attitude, histories and experiences of individuals forming the group.

(iv)   If the sub-cultures of different work groups are not aligned, the development of relationships will be seriously impeded (Brown 1989 ; Chelte *et al.* 1989 ; Brown and Starkey *op.cit* ; Schein 1996). In particular, value system and political incongruities may cause problems with deployment or operational use of IT services: the so-called, 'resistance to change' associated with the introduction of new technologies (Leonard-Barton and Deschamps 1988 ; Martinko, Henry, Zmud 1996; Montealgre 1997). On the other hand, according to O'Reilly and Chatman (1986), where cultures are aligned, individuals will incorporate the characteristics of the prevailing culture into their own cognitive and affective responses. A consequence of shared values is behavioural norms that are supportive of common goals. Webster (1990), Gunes and Kappelman (1995) also argue that a strong customer-provider relationship is characterised by a set of ideals commonly held by both parties. These beliefs identify what is an essential, neutral or an unimportant aspect to the roles played in maintaining the relationship.

From the evidence discussed in this Section the author concluded that the research strategy must be designed to detect those attitudes and beliefs, enabling individuals from one sub culture, (the ISO), to understand the nuances of customer sub-cultures and vice versa.

1.3.7   Improving Top Level Communications.

"The relationship between IT directors and other members of the board could be a marriage made in heaven. But too often, it can end in acrimonious divorce. It seems that true romance is in the air at last." (Warren 1999).

"Too often, the business managers decide what they want IT to do and then this is imparted to the IT managers. These results in IT continually having to react to the business, causing frustrations among end-users whom are, in effect, waiting for IT to catch up with them." (Vowler 1999 [1]).

"It [the report] *found that the reason for poor relationships was often the Chief Information Officer's tendency to focus on practical responsibilities, and the Chief Executive's remit of concentrating on strategic issues."* (Whittle 2001).

(i) Some researchers, for example Watson (1990), Grindley (1991), Fiegner and Coakley (1995), Brown, McLean and Straub (*op. cit.*), emphasise the importance of a special type of relationship: that of IT executives with the Board of the enterprise. For present research the need was to understand the factors affecting the degree of consonance achieved in the relationship. In addition, the author was interested in the extent to which top-level communications condition the interactions of the ISO with the other parts of the business. In other words, does the relationship between IS executives and senior business managers, affect the behaviours of more junior IS professionals. Do they take their cue from the top or do they develop their own styles independently? Certainly, the Schein model discussed in Section 1.1.2, indicates that strongly held beliefs (values) play a pivotal part within culture, by acting as a catalyst, or a moderator between the structural layers of an organization. These values are implemented as norms that affect how an individual interprets their relationship role and thus the interaction of one person with another. A 'strong' leader would be able to articulate the ISO culture by making his, or her own behaviours, the norms of the IT department (see also Section 1.3.7).

(ii) Hackman (1987) also suggests norms are significant for enabling co-operation between individuals and with group collaborative activities (Section 1.2.4 and Paragraph 1.3.3iv). Although there is no apparent acknowledgement of this within the IT services research literature, an exploration of this subject by Berry (1999), casts light upon leadership of service organizations from a generic perspective. Drawing upon evidence from a wide range of case studies, Berry suggests that 'value driven' individuals make the most effective leaders of service organizations. These are managers who are able to mobilise emotional resources and thus develop a true sense of commitment that often lies dormant in any company. The ability to inspire others, so as to gain their commitment, also features in studies of the 'IT Director' (Applegate and Elam 1992 ; Earl and Feeny 1994 ; Feeny Edwards and Simpson 1997; Applegate *et al.* 2000).

In this connection, Brown, McClean and Straub (*op.cit.*) found that there are four key socio-political interactions that are well-managed by successful IS/IT Directors/Chief Information Officers and the like:

- With other internal IT groups outside the purview of the ISO
- With the general 'user' community
- With Senior/Board level managers
- With third parties such as vendors, outsourcers, consultants etc.

The existence of these particular communication channels is consistent with the findings of Auty and Long (1999). They refer to a 'three-cornered contest', characterising the dynamics of internal services. The three corners are the positions of the service provider, internal customers and senior management, representing the interest of external stakeholders. With the growth of outsourcing it seems that for the ISO the situation can be more complicated: it is now a four-cornered contest (McFarlan and Nolan 1995).

(iii)   Commitment is also linked to 'involvement', a theme that recurs for all types of relationship. In the context of leadership, the type of involvement is different from that previously discussed (Section 1.2.4). This form of involvement is not that of the users contributing to the IT service design but the active participation of senior ISO staff in the formulation of business strategies and that of business executives in the creation of IS/IT strategies MacMillan (1997). Butterfield and Pendegraft (1996) and Bensaou and Earl (1998) found that the degree to which strategic involvement is a reality depends upon the culture of the both ISO and the parent enterprise. Bashein and Markus (1997) take a different position. They argue that involvement of IT executives in business decision making derives from the confidence that business managers have in ISO managers. Although the latter group may think the problem is that the business does not really understand the contribution made to the business by the IS department.

At this stage of the research the author was not able to eliminate any of the four types of interaction from inclusion within the eventual investigation. For the present study it is the other three types of internal partnerships that is important, not the nature of external relationships (see next Section).

1.3.8 Implementing an Internal Market.

" 'We are not seriously looking at major outsourcing, but we do outsource in some specific areas, such as PC maintenance,' he says. 'We have trouble understanding how any external supplier can provide IT more cost-effectively than ourselves, given their need to make a profit and pay VAT'." (Vowler 1997).

"As ever, the danger in business departments sourcing their own IT requirements from the external services market is that they risk falling into the vulnerable category of inexperienced customers, at the mercy of astute and sophisticated IT service companies and suppliers."(Vowler *ibid*).

(i)   Many books, trade articles and academic papers have appeared in the last decade advocating outsourcing as *the* solution to the problem of ensuring that IS/IT organizations meet the needs of their 'customers.' Contrary to popular opinion, however, industry figures show that in larger UK companies, most of the IT is budget continues to be spent on internal service provision organizations (IDC 2000). External services may be managed by the ISO, acting as an agent or distributor, or acquired directly by the business, with all IT services provided commercially. A common situation is that some services, such as the help desk operations are outsourced, others mainly system development and maintenance are delivered by the in-house teams (Currie 1996 ; Lacity Willcocks and Feeny 1996 ; DiRomulado and Gurbaxani 1998 ; Klepper 1998 ; Kern and Willcocks 2000). Even where outsourcing is long-standing and financially significant, governance of third party relationships continues to be challenging, since it is an continuously changing environment for management of the relationship and evaluation of its success (McFarlan and Nolan 1995 ; Earl 1996 ; Willcocks Lacity and Kern 1999 ; Campos 2000) The work of Palvia (1995) and Allen and Chandraskekar (2000) also makes clear that even limited outsourcing can effect internal relationships. Trust in the enterprise may be damaged in the developmental stages of organizational relationships and a feeling of insecurity can be engendered (McKnight *et al.* 1998). Uncertainty and anxiety may persist long after strategic decisions, such as those concerned with outsourcing, have been made.

(ii)   Outsourcing will also affect the attitude of internal customers, since the opportunity is afforded to compare the ISO with another provider:

"Facilities management promises lower costs through economies of scale, and greater customer control thanks to a legally binding contract. Costs, however, are not the only item on the agenda when it comes to control, crucial though they are. Users want to feel that IT is sympathetic and responsive to their needs, part of the solution, not part of the problem." (Green-Armytage *op.cit.*).

As a monopoly supplier the ISO 'owns' the resources that produce the services and discharges this role by directing these resources toward users of information systems. The stance taken by Loh and Venkatraman (1992) and Venkatraman and Loh (1994) is that the threat, or reality, of outsourcing transforms the governance of IT services: from the established, hierarchical, adversarial model to a market driven philosophy, structured upon cooperative partnerships.

" '...secret to running internal IT like a business successfully – whether business users are free to buy IT from external sources or not – is not clear-cut. We have to be able to demonstrate that our production costs are competitive. ' " (Vowler *op.cit.*).

With external providers, a truer commercial market exists, so outsourcing provides normative examples of the demand and supply for IT services. As potential competitors or partners, outsourcers may significantly affect the environment for internal services and even challenge the culture of the organization (Baldwin, Irani and Love 2001 ; Allen, Kern and Mattison 2002 ; Kern and Willcocks 2002).

The author thought that the outsourcing literature might be a possible starting point for investigating organizations as internal market environments that mediate socio-economic interactions between the ISO and internal customers. Links with third parties might yield contrasts and analogies to illuminate the nature of the internal-customer provider relationship. The author therefore concluded from an examination of the outsourcing issues that, within carefully prescribed limits, the *implications* of third parties for the ISO-business relationship should be part of the present research.

1.4. Research Objectives.

This Chapter identifies the research objectives by locating earlier discussions in the context of both empirical studies of services and formal theories of organizational relationships. The analysis results have been consolidated within Figure One, which provides an overview of the research domain.

1.4.1. Service Relationships – Empirical Perspective.

A sample of empirical investigations of service relationships is presented in overleaf as Table Two. The purpose is to summarise the ideas emerging from discussion of literature, as a basis for the topic areas to be addressed by the research strategy (Section 2.4.3). The following notes apply to Table Two:

(a)   Study.

This makes references the original literature.

(b)   Type

Some of the investigations were directed toward identifying the economic component of customer-provider relationships; others have looked at the balance of power between the parties.

(c)   Forms.

This shows the different varieties of relationships found. Mostly, but not exclusively, the classification represents a state reflecting a progression from 'weak' to 'stronger' relationship. Some studies focus relationship progression through a number of evolutionary stages.

(d)   Themes.

This presents the variables and constructs found to play a part in the development of service relationships and include antecedents and effects. As much as possible, the headings used are the names of the substantive topics identified in the first three Chapters of Part One

Table Two.
Empirical Studies of Service Relationships.

Study (a)	Type(b)	Forms (c)		Themes (d)
Harvey 1989	Professional	I	Client	• Collaboration
	Services	II	Professional	• Power
		III	Strategic	• Roles
Vandermerwe	R & D	I	Rigid	• Information
and Gilbert 1989	Internal	II	Structured	• Roles
	Services	III	Periodic	• Value
		IV	Ongoing	
Henderson 1990	IS Services	I	Transactional	• Benefits
		II	Value Adding	• Commitment
		III	Partnership	• Knowledge
				• Resources
Galliers and	IT Services	I	Adhocracy	• Collaboration
Sutherland 1991		II	Fundamental	• Power
		III	Dictatorship	• Trust
		IV	Dialectical	• Values
		V	Entrepreneurial	
		VI	Integrated	
Haynes and	Production	I	Customers -as - Users	• Power
Chase 1991	Support			• Expectations
	Services	II	Customers-as- A Group	• Innovation
				• Responsiveness
		III	Customers-as- Individuals	• Roles
		IV	Customers-as- Opportunities	
Venkatraman	IT Services	I	Traditional	• Power
and Loh 1994		II	In-sourced	• Roles
		III	Out-sourced	• Styles
		IV	Emergent	

Table Two.
Empirical Studies of Service Relationships - Continued.

Study (a)	Type (b)	Forms (c)		Themes (d)
Millman and Wilson 1995	Industrial Purchasing	I	Ad-Hoc Supplier-Buyer	• Collaboration
		II	Preferred Supplier-Buyer	• Communication
				• Roles
		III	Partnership	• Trust
		IV	Synergistic	
McKeen and Smith 1996	IT Services	I	Service Provider	• Credibility
		II	Consultant	• Roles
		III	Team Player	• Strategy
Ward and Peppard 1996	IT Services	I	Financial	• Culture
		II	Contractual	• Environment
		III	Organizational	• Perceptions
		IV	Intimate	• Roles
Rockart, Earl and Ross 1996	Information Systems	I	Centralised	• Competencies
		II	Decentralised	• Integration
		III	Federal	• Leadership
				• Ownership
				• Power
				• Standards
Ross, Mathis Beath and Goodhue 1996	IT Services	I	Sinking	• Communication
		II	Drifting	• Leadership
		III	Luffing	• Vision
		IV	Cruising	• Expectations
Taylor-Cummings and Feeny 1997	IT Services	I	Unhelpful	• Goals
		II	Transitional	• Knowledge
		III	Goal-Orientated	• Norms
				• Roles
				• Structure

Table Two.

Empirical Studies of Service Relationships - Continued.

Study (a)	Type(b)		Forms (c)		Themes (d)
Venkatraman 1997	IT Services	I	Cost Centred	•	Assessment
		II	Service Centred	•	Capabilities
		III	Investment Centred	•	Objectives
		IV	Profit Centred	•	Roles
		V	Value Centred	•	Structure
Earl and	I.T. Services	I	Disequilibrium	•	Confidence
Sampler 1998		II	Supply Side	•	Expectations
			Dominance	•	Goals
		III	Demand Side	•	Policies
			Dominance	•	Value
		IV	Equilibrium		
Klepper 1998	IT partnerships	I	Awareness	•	Communication
		II	Exploration	•	Expectations
		III	Expansion	•	Norms
		IV	Commitment	•	Power
Peppard	IT Services	I	Disconnected	•	Leadership
and Ward 1999		II	Unloved	•	Norms
		III	High Achieving	•	Roles
				•	Quality
				•	Values
Gordan	I.T. Services	I	IT-Dominated	•	Culture
and Gordan 2000		II	IT-Constrained	•	Governance
		III	Central Partnership	•	Roles
		IV	Business -Focused	•	Standards
		V	Business Dominated		
Peppard 2001	I.T. Services	I	Basic	•	Benefits
		II	Established	•	Commitment
		III	Credible	•	Governance
		IV	Involved	•	Politics
		V	Partnership	•	Processes
				•	Roles

1.4.2. Organizational Relationships – Some Theoretical Perspectives.

(i)   The author decided that a general theoretical understanding suitable for this study must be able to demonstrate how social actors perform service-related activities, within a context of action that may span the enterprise. There were several ways of conceptualising provider-customer interactions in an organizational setting: as a political arena (Pettigrew 1985 ; Ganeson 1994), a pattern of economic transactions (Williamson 1979 ; Foa and Foa 1980 ; Aubert, Rivard and Patry 1996), social bonds (Adams 1965 ; Wilson and Mummalaneni 1986) or as set of functional roles (Katz and Kahn 1978). The fourth perspective seemed to offer a particularly useful insight, since it uses expectations of self and others as the basis for those inter-dependent behaviours that create and maintain a relationship, such as the ISO with its customers. A relationship as a 'stable, collective, role pattern' (Katz and Kahn *loc. cit.*p.189) is also echoed in the ideas of Lofland and Lofland (1995) and Barry and Crant (*op. cit.*). They argue each social encounter temporarily develops a micro role system when two or more persons are in one another's immediate presence and strive to maintain a common purpose for an activity. The consequent communication of knowledge invites reciprocal action and so maintains a relationship through repeated encounters of a routine and familiar nature between actors. In the context of this study, 'role' was construed as part of organizational situation, to distinguish it from the close personal or family relationships. However, whilst roles seemed to play a part in the phenomenon, they did not appear to be the whole story. Therefore, the author sought other theories that might be capable of incorporating elements such as the organizational processes and structures that create role expectations.

(ii)   The work of Elias (1978) and Bourdieu (1986), subsequently explicated in the work of O'Reilly and Chatman (*op.cit.*), Coleman (1988), Hayes and Allison (1994), suggests that relationships are constituted from exchanges of 'social capital' between individuals or groups that act as the nodes of a social network. It is the typology of this network that is important for relationships, rather than the characteristics of individual nodes. There are similarities here between the social capital and trust as the basis for normative behaviours (Gambetta 1988 ; Butler 1991 ; Moorman *et al.* 1992 ; Shapiro *et al.* 1992 ; Mayer Davis and Schoorman 1995).

(iii)   Structuration of social systems was first articulated by Giddens (1984) and elaborated by theorists such as Cohen (1989) (1998). Structuration is a general theory that provides an ontological position for the development of specific theories about the way an organizational situation affects social actor level interactions and vice versa. The author thought that structuration might be used to explain how individual IT-based services are embedded (institutionalised) within an organization and how organizational culture affects individual service activities. The work of Orlikowski and Gash (1994), Roberts and Grabowski, (1996), Robey and Boudreau (1999) and Flynn and Hussain (2001) testifies to the growing use for structuration for informing the study of information systems in an organizational or societal context.

(iv)   A third possible candidate as a formal theory to explain the ISO-business relationship was Actor-Network Theory (ANT), (Callon 1991 ; Law 1992 ; Law and Hassard 1998). Given that the ISO-business relationship has been conceptualised as the role of provider and customer and that the essence of an actor is the assumed organizational role, ANT seemed to be the most relevant and practical of the formal theories considered. The author was attracted to ANT because it does not impose a particular restriction upon the nature of the ways actors are linked together in a relationship. Individuals, work groups, or things, such as software, can be considered as nodes in the network. Furthermore, ANT allows for a particular social network to be rolled-up to form a node in a higher network and therefore might be applied to relationships within and between organizations, work groups, or individuals. ANT had also been by successfully employed to study the interaction of people with information technologies (Bijker and Law 1992 ; Walsham 1993 ; Bloomfield and Vurdubakis 1994 ; Latour 1996).

Notwithstanding the examples in the IS/IT literature, the problem for the author with all these formal theories was that, by their very nature, they were highly abstract and general conceptualisations. They appeared to be more like meta-theories and ,regardless of the research methodology eventually adopted, not readily open to development as approaches that could form the basis of an empirical study of internal customer-provider relationships. Awareness of these theories, however, proved valuable to the research, by helping to 'sensitise' the author to the social foundations of the phenomenon (see also Chapter 6.2).

Consequent upon this evaluation of potential theoretical insights the author was able to unite the key concepts of the social theories with those practical research themes identified in the empirical studies, to form an overview of the research domain (Figure One below). The Chapter or Section where the particular dimension of the research has been discussed in the text is indicated on the diagram.

Figure One.
The Research Domain (After Holmlund and Tornroos 1997).

Sections 1.1.1 -1.1.3
The Future of the In-house
IS Organization

7SL
Context

Section 1.1.4
Internal Service
Customer-Provider
Relationships

The Phenomenon

Concepts   *Theory*

Chapters 1.2 and 1.3   Section 1.2.5 and Chapter 1.4
Communication, Culture, Expectations,   Actor-Networks, Exchange Types,
Gaps, Image, Involvement, Knowledge,   Disconfirmation, Praxis, Social
Partnering, Quality, Perception, Power,   Capital
Role, Trust

1.4.3   Identification of the Research Objectives.

(i)   Before the objectives of the research could be finalised the question to be answered was, had the study scope been fully established? A clear 'yes' could be given if the author was confident that the exercise had neither been curtailed too early, so that aspects had been overlooked, nor had the scope broadened such that there was lack of focus to the research. The former might be true if the author had approached the research with presumptions in mind and/or had been insufficiently critical when evaluating the literature. The second situation seemed to be the more likely, given the different aspects of 'ISO-Business Relationships' had already been identified by the knowledge domain definition exercise discussed in Chapters 1.2 and 1.3.

(ii)   The conclusion reached was that sufficient progress had been made to identify the research objectives. This was judged to be so because research areas had been defined using complementary perspectives: practitioner opinion has been combined with the more carefully reasoned and logically argued views of academic writers. However, it was recognised that further insights may well emerge during the development of the research strategy. With this caveat in mind, the specific goals of the research have been set out below. Achievement of these goals (underlined) should enable the research aim to be met:

- The chosen conceptualisation is the ISO as provider of services to other internal work groups (its customers) within the enterprise. The implementation of this paradigm will be through relationships reflecting a particular organizational environment.

    The validity of this idea should be challenged by the investigation.

- Interactions between IS professionals and internal customers are driven by the attributions and ideals of the individuals involved with an IT service activity.

    The study needs to discover how personal attitudes influence group level relationships.

- The quality of an IT service can be expressed in terms of attributes (of a service), which are determined by the technical processes, environment and mechanisms for service definition and design.

How service development affect relationships should be investigated.

- Internal customers judge the ISO against their expectations, expressed in terms of the benefits to be provided and how these will be delivered. Crucial to this evaluation is the perception of the 'price' paid. This includes a monetary element but is mainly defined in terms of its psychosocial value. A formal theory explaining the linkages between the relevant factors appears to be unavailable.

A general theory will not be created but further work necessary to achieve this will be identified by the study.

- Whilst most researchers accept the validity of 'disconfirmation' as a attribution mechanism underlying the perception gap idea, there are a number of dissenting voices and a satisfactory operationalisation of this concept for IS/IT services has yet to be achieved.

Operationalisation of the gap concept is outside the research scope.

- The frequency and depth of disconfirmation might, over time, weaken or strengthen the relationship between the parties, because of changing exposure of the parties to uncertainty or risk with a service.

A linkage between relationship intensity and confidence of the parties needs to be established and should be a part of this research.

- Special forms of relationships are enacted through the leadership of the ISO. These relationships can range both vertically and horizontally within the enterprise and cover linkages outside the organization to include, for example, software vendors, outsourcers and consultants.

<u>The management of internal partnerships will be addressed; the ISO relationships with third parties will not be included within the study.</u>

- Organizational values and norms of behaviour are likely to have a significant contextual or mediating role upon internal services. Theorists have carried out considerable research into the origins, morphology and implications of corporate cultures and sub-cultures.

<u>The way external factors influence internal service relationships within an organization will be explored by the research.</u>

The aim of this Part of the thesis was to set the research boundaries. Part Two is concerned the creation of a plan for achieving the research objectives. The discussion within Part Two centres upon three stages of research strategy development: establishment of epistemological and axiomatic foundations; selection of a suitable methodology and the design of an appropriate data collection regime.

PART TWO –
DESIGN OF THE
RESEARCH STRATEGY.

PART TWO: DESIGN OF THE RESEARCH STRATEGY.

This Part of the thesis explains how a research strategy was designed and developed for understanding the nature of the ISO-business relationship. The initial debate locates the aim of the proposed study within the general domain of information systems management research. The context for this study forms the backdrop for establishing the author's position with regard to theoretical foundations of the research strategy. These fundamentals were then used to inform the selection of a suitable research methodology. The exposition concludes with a discussion of detailed plans for implementing the research methodology in the field.

2.1   Theoretical Foundations of the Study.

This Chapter expands upon the research aim, by identifying the fundamental theoretical decisions underpinning the selection of a methodology suitable for meeting the research deliverables. Before proceeding to the design stage, the author needed to clarify the nature of the research question itself. In other words, to consider what the research strategy was meant to achieve.

2.1.1   Review of the Research Domain.

(i)   The scope of the research was reviewed again, since the author was concerned that the research appeared to be ballooning in size. The problem concerned the extent to which the external environment had to be brought into the picture. This was because there appeared to be both shorter-term changes and also structural factors to be considered. In the former category were the effects of outsourcing, referred to in Section 1.3.9. Superimposed upon these types of change are the complex and often obscure, longer term effects, reflecting turbulence in the external markets, such as takeovers and the initiation or collapse of corporate ventures, which generate the 'noise' of a social environment (Smith 1990). Consequently, any external factors identified that might affect internal relationships were only likely to apply for a finite time. This meant that when the outcome of the research was evaluated, the contextual limitations and uses of the results and the restricted applicability of the research conclusions had to be clearly acknowledged.

A way to overcome these difficulties was not to investigate the external factors per se but rather to study their *implications* for the internal operations of the enterprise. That is, how external variables set the general background conditions within the organization, for the ongoing interaction between the ISO and other parts of the business. The author thought that a weakness of this approach was that a study of a particular organization would be over a comparatively short period of time and not fully portray the effects of these external forces.

2.1.2 Review of the Research Aim.

(i)   Before a strategy could be created, the theoretical basis of the research question (see Section 1.1.2) needed to be well established. In this matter, the sympathies of the author were in tune with the ideas advanced almost two decades ago by Nolan and Wetherbe (1980). They suggested that research should be justified principally in terms of its ability to inform and expand an existing body of knowledge. However, for this study this appeared to be quite difficult to achieve, because, in the author's opinion, of the fragmented condition of existing knowledge. Generally, the domain seemed to consist of a number of piece-meal studies, leading to islands of knowledge, which somewhat ironically, seemed not to stand in meaningful *relationship* to each other. In addition, there was limited recognition within existing studies of well known and, arguably, proven, ideas about services marketing for creating satisfaction and value for internal customers. In this regard, Whyte and Bytheway (1996) persuasively argue that much IS research has tended to focus upon the technical quality of systems, such as user friendliness and maintainability etc. Considerable attention had also been paid to specific methodological or project-related factors, such as the effect of user involvement upon systems development. The service perspective upon organizational information systems had been relatively neglected. It seemed to the author that there was a clear gap in the literature concerning the relationship between the business and the ISO that needed to be addressed. A straightforward way of exploiting the service perspective was to conceive this relationship as the consequence of a series of demand-supply, or customer-provider interactions.

(ii)   The author also found that the apparently rich ground for theories of inter-group dynamics within social psychology and organizational studies unrewarding for finding insights into internal customer-provider relationships. This was because few studies were in-depth empirical analyses of work group relationships. Gergen (1994 p. 215) has also noted the relative paucity of this type of research, commenting that:

'Among the thirty chapters of the handbook of social psychology no single chapter is on the psychology of groups.'

The apparent limited body of knowledge appeared to be a distinct barrier to be overcome, because there would be few examples for guiding the creation of an optimum primary research strategy. On the other hand, this apparent fragmentation of the knowledge was also an opportunity, since it lent legitimacy to the idea that the research study could make a contribution to knowledge.

(iii)   The author was aware, from the anecdotal and literature reviews, reported in Part One, that the study would essentially involve the investigation of people's experiences, attitudes and values. Fitzgerald (1985) suggests that a researcher should reflect carefully upon how a phenomenon being investigated is thought to vary from one setting to another, as well as from person to person. The advice of Burton-Swanson (1987) was helpful here for taking this forward. He propounds the idea that there is a basic typology to all questions about the social aspects of information systems. These questions fall into one of several epistemological positions: each best addressed by different methodologies. The particular direction of an inquiry is consequent upon two key considerations. Firstly, the scope of the question – is it about the environmental, organizational or the individual? The second positioning dimension is whether the research is seeking to understand cause or effect. Given the focus on internal relationships, the author concluded that inquiry would be about developing an understanding of how individual (service) activities are able to cause an organizational phenomenon (relationships).

2.1.3. Establishing the Basis for the Research Strategy.

According to Pettigrew (1985), clarification of theoretical foundations is a pre-requisite for the successful development of a research strategy. He states that the selection of a methodology embodies a whole set of assumptions about the nature of the subject studied and the ways by which knowledge could be obtained. Here, the ideas of Potter (1996), proved invaluable for identifying the fundamental theoretical issues that must be resolved before a methodology could be chosen for realising the research objectives. These matters, of ontology, epistemology and axioms are discussed, in turn, below. This is followed by a summary of the theoretical basis for the primary research that formed the platform for the short-listing of suitable research methodologies.

2.1.3.1   Research Ontology: Does the author regard the phenomenon to exist apart from human perceptions of it?

(i)   Ontology concerns the research paradigm and addresses the forms in which the world exists; it is the debate of the material versus idealism, or external v internal reality. The question for the research strategy was quite clear: whether or not the relationship between the ISO and the business can be meaningfully identified, or isolated separately from the internal worlds of the people who are parties to those relationships. In this matter, the author took the view that organizational relationships have no independent existence. Relationships are social phenomenona, continuously made and remade by people, who build the meanings and relevance of social interactions from their own interpretation of events and the outcomes of those events. The author concluded that the characteristics of the ISO-business relationship will only be accessible and explainable through a methodology that provides a way of allowing individuals to construe the relationship within a personal context.

The ontological position, established through analysis of the literature, was that the phenomenon did not exist outside of the minds of the people involved in the relationship. This stance suggested that the research strategy was likely to be best-founded upon an approach attuned to the elaboration of social - economic patterns and their meanings for individuals engaged in IT service activities within organizations (Daft and Weick 1984).

2.1.3.2   Research Epistemology: To what degree is there a belief that the author is limited from knowing (deriving meaning) concerning the phenomenon?

(i)   Although the author felt that the research was firmly rooted in the empirical world of business operations and IS practice the issue to be resolved was what was the best way to engage with that world. This is the concern of research epistemology: the problem of objectivity and subjectivity and what the researcher might be able to know about the phenomenon. The epistemological question was, could the author understand the phenomenon through a scientific/systematic way or is the phenomenon (the ISO-business relationship) only accessible in a subjective sense? It seemed to the author that understanding internal customer-provider relationships would come from exploring the identification of roles and communications between people, located with an organizational setting. The epistemological position was therefore located in the subjective/interactionsist camp (Annells 1996). Some researchers, such as Mintzberg (1979), argue that successful organizational research requires both anecdotal and systematic data: 'soft' (opinion) and 'hard' (factual) information. The former could be used to uncover relationships within a model and the collection of objective data used to enrich and explain the model.

(ii)   Although the author deduced from the existing literature that the ISO-business relationship is non-material and could not be characterised by 'objective' knowledge, some form of statistical analysis of the data captured from the management systems and processes could be used. Indeed, Myers (1997 [1]), points out that there is much disagreement about the extent to which epistemological positions of positivist versus interpretive paradigms really preclude their joint use as basis for empirical investigations. The divide between quantitative and qualitative research reflects underlying ontological and epistemological differences, rather than methodology. Fitzgerald and Howcroft (1998) also firmly reject epistemological dichotomy in the field of information systems research and suggest the debate be recast to recognise the complementary strengths of both traditions. Galliers (1992 p. 147), provided some guidance out of this 'epistemological quagmire' by suggesting that development of *information systems* (or services) might best be explored through an interpretive, holistic, process orientated approach. An objective, positivistic, deductive perspective should be employed for evaluating the practical use of *information technology*. The author concluded that since the present research was essentially about elucidating a human phenomenon, focused upon social outcomes and not provable in a scientific sense, it was within the interpretive 'camp.' This philosophy meant that theory and data are not separable and thus exist only as derived meanings. The quality of the research outcome will need to be evaluated, by how well these meanings have been uncovered through execution of the research strategy.

(iii) The adoption of the interpretive approach also means that the suppositions and assumptions of the researcher play a key part in the process of discovery. The author needed to be aware that data, however acquired, would have been filtered through the attitudes, experiences and biases of both the informant and the researcher. That is, the research deliverables will not be 'objective' outcomes but necessarily will reflect the worldviews of the participants *and* the researcher. As Brittan White (1985 p. 273) clearly articulates, this duality is a natural concomitant of the interpretive hermeneutic:

'Looking in one direction tells us something of what we take to be the nature of the outside world. Looking in the other direction tells us something about the nature of ourselves.'

The author had to maintain a sense of self-awareness throughout the research process, so as to enable assumptions to be known consciously. This continuous reflexivity helped to maintain awareness of what might be claimed as a research outcome. Some ideas about how, in general, a researcher can understand her or his position and those of the informants in the research are presented in Chapter 6.3 of the thesis.

In general a qualitative approach appealed to the author, because it seemed to support and promote a human-centric perspective upon events in the world (Morgan and Smircich 1980). The author's feelings were similar to the views of Denzin and Lincoln (1996 p. 32). Whilst warning that qualitative research is 'many things to many people' they endorse its essence as:

'an assumption there is value to building interpretive, naturalistic perspectives based on human behaviour.'

2.1.3.3   The Research Axioms: what are the key assumptions made that underlie the chosen approach?

(i)   The customer-provider concept seemed to be a reasonable perspective for the research, because it both bounded and vividly depicted an organizational dynamic for the interaction between the parties. The use of the customer-provider service paradigm as a 'guiding light' had two major consequences for the research strategy. One of these was advantageous and one not. The idea immediately sharpened the focus of the investigation by identifying the key elements, which, even after bounding by the research scope-setting exercise, appeared to present a dauntingly wide domain. The main potential drawback identified was that the model might overly influence the author toward a view of the relationship, which could at best be simplistic or incomplete and at worst quite misleading.

(ii)   Another key assumption concerned variability of organizational entities. That it would be possible to conceive the working relationship in terms of the customer or provider role groups as a whole: there would be no need to refer to individuals (Klein Dansereau and Hall 1994).

(iii) Using a research typology designed by Franz and Robey (1987) a third axiom was identified. Their model suggests four conceptual quadrants, each defined by the purpose of the research (exploration or explanation) and the sampling philosophy (single or longitudinal). The nature of the present research located it within the quadrant defining the purpose as being 'exploration' and sampling within a 'single period'. With regard to the latter dimension, the author's belief was that relevant concepts can be discovered through data collected at one point in time.

Table Three summarises the issues discussed in this Chapter, underpinning the choice of the research methodology (Chapter 2.2).

Table Three.
The Theoretical Foundations of the Research Strategy (After Potter 1999).

Foundation Issue	Research Basis	Meaning for this Study
Ontology	Actional Idealism	• The phenomenon is not material: being an internal creation of the way people in the relationship act as social actors. They have their own goals and the capacity to choose actions to realise their goals. • Actions will be subject to situational and contextual influences, which may, or may not, be of a material nature.
Epistemology	Interpretive	• The author cannot be objective in this research. • The author needs to demonstrate that some meanings are shared between the author and participants in the research. • The author must draw - out meanings from the participants in the research, so as to present feelings and ideas from their own point of view - not that of the author.
Axioms	Service Perspective	• The assumption of a customer-supplier exchange-based construction should be appropriately acknowledged when drawing inferences from the data.
	Role Homogeneity	• Social actors, performing a particular role, are sufficiently similar to be characterised by common set of concepts.
	Temporally Invariant	• A single time period for each observation point is sufficient to acquire meaningful data.

2.2   Methodological Issues.

Having identified the foundations of the research, the next task was to select a methodology consistent with these theoretical principles. The process of identifying that methodology is explained in this Chapter, which consists of three Sections. The first discusses several methodologies that seemed to match the ontological and epistemological needs identified earlier. The second Section evaluates candidate methodologies against a set of selection criteria. The final topic of this Chapter concerns the constraints and issues associated with employing the methodology chosen for this research.

2.2.1.   Possible Research Methodologies.

Some hints about the type of methodology appropriate to this research had already emerged, as the nature of the phenomenon became clearer. It is fair to say that certain, qualitative methods of analysis such as critical theory were only examined briefly before being discarded, because they seemed to have little consonance with the phenomenon to be investigated. Effort was only devoted to evaluating those research methodologies that seemed to closely fit the theoretical foundations of the study specified in Table Three. The methodologies short-listed for more detailed consideration were all implementations of the interpretative approach. Although they share similarities, there are also differences between the methodologies, particularly with regard to data collection and linkage to practice. An excellent overview of each of these methodologies, together with examples of deployment and use within IS research is given by Walsham (1995) and Myers (*op.cit.*). Each methodology is briefly described below, in alphabetic order, followed by a comparative evaluation, using a set of criteria originally drawn up by Jenkins (1985), Galliers and Land (1987) and subsequently modified by the author.

2.2.1.1   Action Research.

(i)   Action research has attracted much attention in the past
       decade, to the extent that has become a favourite of IS
       researchers for investigating the organizational and social
       implications of information systems (Baskerville and Pries-Heje
       1999). Action research is located in the experimental part of
       the methods continuum, where Stowell, West and Mansfield
       (1997) suggest it is best suited to studying complex domains,
       with many uncontrolled variables that need to be explored over
       a long period of time. Knowledge is gained from investigating
       the outcomes from the *practical implementation of change
       cycles*, (author's emphasis added). Thus action research is
       specifically directed to developing knowledge about a
       particular and immediate problem domain (Baskerville and
       Wood-Harper 1996). Indeed, the general tone of action
       research is not research for 'academic' reasons but as a basis
       of addressing real life situations. The aim is improvement to
       part, or the whole, of an organization or a management
       system. The development of social theory, such as one
       explicating the ISO-business relationship, would be classed as
       a subsidiary purpose of action research.

(ii)   Action research requires that the investigator perform two
       roles: practitioner and researcher. In 'researcher' mode, the
       investigator tries to keep a high level of objectivity, to maintain
       a rigorous and comprehensive understanding of the problem
       domain. Great importance is also attached to the learning
       experience of each and every participant. The investigator, in
       particular, is expected to develop expertise and understanding
       of the research process, in parallel with the progress of the
       study. In the role of practitioner, the investigator is as much a
       part of the problem domain as any other participant. In this, the
       solution mode, the investigator participates in implementing the
       changes or other interventions identified in researcher mode.

(iii)   The research process is cyclical and consists of a number of inter-linked phases. Throughout each cycle, information about the problem domain is collected through a wide variety of methods, including surveys, interviews, observation and statistical sampling. The entire organization or more usually, individuals, are presented with the outcome of the research analysis. A fully collaborative process of diagnosis then leads to the identification of practical changes necessary to improve the situation. These objectives are then translated into change plans. Outcomes form the implementation of the plans form the basis for the specifying objectives for the next cycle of research and so on.

2.2.1.2   Ethnography.

(i)   This methodology seeks to build an in-depth, cultural portrait of a social group, by uncovering the way norms, values, roles, leadership and structures develops. In the fashion of all interpretative studies, the researcher approaches (or should approach) the group without any, or with few pre-conceived ideas about the domain. However, according to Hammersley and Atkinson (1983), the researcher often becomes part of the group through the extended research programme. Complete immersion in the group interactions can sometimes damage the quality of research, because, although the researcher may not have strong biases or preconceived ideas, the informants are likely to be anything but unbiased. An ethnographer can therefore be exposed to 'contamination' by the individual agendas and political games- playing that invariably characterises the dynamics of inter group relations.

(ii)   Another potential problem with ethnographic studies is that they virtually are unrepeatable, since they are located in a highly specific time frame. Therefore, whilst theories derived from ethnographic studies are useful and highly relevant for the diagnosis of current issues within an organization they cannot really be prognostic (unlike action research). This is not only because of the immediacy of phenomenon studied, (there are some interesting similarities with grounded theory – see below) but because research outcomes are totally conditioned by the world-view and experiences of the individual researcher. She or he must necessarily use their personal frame of reference to interpret the meaning of each and every social interaction within the culture or group. In an organizational context, investigations of a phenomenon, like the ISO-business relationship, would require the author to get 'under the skin' of the group, e.g. help desk staff, by unobtrusively studying their behaviours, conversations and consequential actions. 'Chain sampling' (Atkinson and Hammersley 1994) is often used to develop the base of data. The most usual data collection technique employed is the taking of very detailed sets of field notes based upon observations made of the minutiae of the working day. If interviewing is used as the data capture method an individual might be interviewed several times, for clarification of information obtained from other informants.

(iii)   Ethnography is both a process and an outcome. The researcher develops an 'ethnography', in the sense of social map of a culture or group and uses ethnographic methods for developing the detailed analysis necessary to understand social life of the group. Hammersley (1990 ; 1992), advises that the term 'process' must be treated with caution, since unlike grounded theory (see below) and for that matter, action research, there is no generally agreed and distinctive set of processes by which an ethnographic study might be carried out. Generally, the scope of the research deliberately starts wide and loose, in terms of what is being researched and becomes progressively more focused as the study progresses.

2.2.1.3   Grounded Theory.

(i)   Similar to the other two methodologies grounded theory is also directed toward understanding people and their interactions in a social context. Using this interpretive-based approach the theory that is created is 'grounded', or built, exclusively from empirical data. There are two ways of construing what is meant by the term 'grounded theory.' Firstly, it might be thought of as a general philosophy for developing an understanding of a phenomenon, by inducting, or more accurately, 'abducting', theory (Kelle 1997). Although grounded theory acknowledges that reality is not a given, the process of grounding must be rigorous. Furthermore, the theory has to be clear, comprehensive and plausible particularly for those who provided the data, from whence the grounded theory emerged (Strauss and Corbin, 1998 p 159).

(ii)   The other construction of grounded theory is as a set of methods and associated techniques for exploring, structuring and analysing qualitative data. These methods implement the principle of 'constant comparison.' This requires that each version of the emerging theory be progressively evaluated against successive sets of empirical data: in a way analogous to information systems development, through evolutionary prototyping. Similar to the methodologies discussed above, personal experiences, biases and the knowledge of the researcher influence theory discovery and elaboration. In this respect grounded theory has some correspondences with action research. However, in another way, grounded theory is more like ethnography, since the scope of the study is bounded by initial ideas that are explored without a hypothesis in mind that the researcher sets out to prove or disprove.

(iii)   A grounded theory is developed in three stages. The initial stage, 'open coding' enables the researcher to structure the data. This is done by analysing each line, or paragraph, of textual data, for commonly occurring concepts. The next stage (axial coding) builds abstract categories from these concepts. This is where the constant comparison method alluded to above, is particularly applied. Data already labeled with each concept code is compared with new data, to enable concepts to be merged together to form higher level categories. Selective coding is the final stage. A key category is identified, which acts as a core idea or construct for linking together all the other categories. Selective coding enables the researcher to build a narrative exposition and/or diagrammatic presentation of all the abstract categories developed in the axial coding stage.

2.2.2 Comparative Evaluation of Three Interpretive Methodologies.

The next phase in the methodology selection process was to compare and contrast action research, ethnography and grounded theory with the specific requirements of this research study. The results of the evaluation are shown in Table Four. The idea of drawing up this form of comparison was not so much to add up the points and select the methodology with the 'best score' but rather to act more as checklist for the author to clarify the key factors for the selection. Before moving on to investigate methodologies that matched the foundations of the research, the basis for the research strategy was confirmed by looking at studies from outside the information systems domain. The work of Deshpande (1983), Zeithmal, Varadarajan and Zeithmal (1988), Groonroos (1990), Parasuraman, Berry and Zeithmal (1990) were particularly helpful for providing insights into developing the research strategy, in terms of the customer-provider service paradigm.

Table Four.
A Comparison of Three Methodologies
with Primary Research Needs (After Jenkins 1985 : Galliers and Land 1987).

Characteristic /Methodology	Need for this study	Ethno-graphy	Action Research	Grounded Theory
Setting:				
-Naturalness	**5**	5	5	5
-Behaviour setting dependence	**1**	5	5	5
Cost:				
-time of the researcher	1	**4**	**4**	**4**
-time of the informants	**1**	2	**4**	1
Variables:				
-Strength of independent variables	5	5	**4**	5
-Manipulate Independent variables	5	0	2	0
-Exogenous Variables controllable	**5**	1	2	0
Flexibility:				
-Idea change possible?	**5**	3	5	5
-Data collection range of options	**5**	5	2	5
-Time limitation	**1**	1	**4**	1
-Variability in breath of the inquiry	5	2	2	5
-Ethical factor constraints	1	5	2	1
Impact:				
-Potential to change researcher	**5**	5	5	3
-Potential to change informants	1	1	5	1
Process:				
-Influence of expectations	1	3	3	**4**
-Influence of researcher on informants	1	3	3	5
-Level of Obtrusiveness	**1**	**4**	**4**	2
-Degree of Structure	**5**	1	5	5
-Efficiency	**5**	1	1	1
-Comprehensiveness	5	5	5	5
Outcome for Theorv:				
-Accuracy	**5**	5	5	5
-Generalisability				
• Different Actors	5	1	2	1
• Different Settings	5	1	2	1
-Simplicity	**5**	1	2	2
Outcome for Practice:				
-Generalisability				
• To Different Actors	5	1	2	1
• To Different Settings	5	1	2	1
-Embeddedness in process	5	0	**4**	0

[Key for Closeness of Fit: 0 = None ; 1 = Low ; Low-Medium = 2; 3= Medium ;
Medium-High = 4; 5 = High. Bold figures represent the key requirements]

2.2.2.1.   The Key Methodological Constraints Upon the Study.

(i)   Possible Perspectives.

- All three methodologies enable an 'emic perspective' to be taken (Morris et al 1999). That is, enabling an understanding to be gained of how members of the given culture or group perceive their world, from within that world (Brittan White 1983). The emic view would mean, for example, that for a particular group, the study might be progressed through repeated visits: the author would almost being part of the group.

- Ethnography and in particular, action research, are not well suited to the other perspective - the 'etic' view. This is the stance of the outsider. Whereby, non-members of a social group or culture (like the author) interpret behaviors and phenomena associated with that group. The etic perspective is supported by grounded theory.

- For the present study there was a conflict of needs. Whilst data of the highest quality would likely be gained from research to be conducted as an insider, *only the external perspective* was practical. This was because no permissions and access had been granted to the author to work over a long time period as full member of any organization. However, the author thought that some feeling of the being an employee might be able to be sensed from tangible artifacts such as handbooks, company newsletters etc.

(ii)   Aim of the Processes.

(a)   Action Research.

- The primary focus of this method is *practice*; the need for this study was the development of *theory*.

- The investigation is unlikely to be limited to a particular organization.

- The author had no mandate to change the organizations to be studied.

(b)   Ethnography.

- The time-scale and intrusiveness of an in-depth study within several organizations was impractical within the constraints of the thesis.

- The level of the theory developed by using ethnography was likely to be at a far too detailed a level and narrowly scoped to achieve the research objectives identified in Section 1.4.3.

- The lack of a comprehensive and integrated set of techniques and tools for ethnographic research reduced the level of confidence (of the author) that this methodology would achieve a satisfactory outcome.

Taking into account these important constraints and other relevant factors shown in the Table Four, the author concluded that the most apposite choice of a research methodology was grounded theory. This decision was ratified by examining the strengths and weakness of grounded theory, in terms of how the methodology would be used to study the ISO-Business relationship.

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2.3   Research Methodology Implementation.

2.3.1   Grounded Theory in Practice.

2.3.1.1   Grounded Theory in Management Research.

(i)   According to Locke (2000), a key strength of grounded theory is its flexibility. The methodology has been used, inter alia, to investigate business strategy, human resource management and organizational psychology. However, although there are grounded theory studies in business or public policy (Turner 1983 ; Howell 1996 ; Haslam 1998), interpretive research in general and grounded theory studies in particular, remain relatively rare in IS/IT research. Here, the hypothetical – deductive paradigm reigns supreme (Klein and Myers 1999). There are some examples within the information systems literature, including work by Pries-Heje (1991), Orlikowski (1992), Brown (1992), Galal, (2001) and Urquhart (2001). The author did not know what to make of this relative lack of grounded theory based studies in IS research. As noted above, this could have been due to prejudice amongst IS researchers against qualitative methods. A more worrying explanation would have been the conscious rejection of grounded theory, as somehow inappropriate for understanding IS related organizational phenomenona. However, the decision to use grounded theory was reaffirmed by more knowledge of the methodology. This gave the author confidence that grounded theory fitted the aim of the research. The author sought support from theorists such as Martin and Turner (1983 p.142), who contend that grounded theory can be used with good affect where:

'No relevant theory exists at all and even when theories concerned do exist, they may be too remote, or abstract, to offer much detailed guidance or assistance.'

(ii)   The suitability of grounded theory for the domain of study is supported by the use of the grounding algorithm (Section 3.3.3). The two researchers praise this technique for deconstructing a social activity into the individual social actors involved and the processes supporting interaction. Without this way of thinking, organizational analysis can often be difficult, because of false interpretations of data, generated from confusing casual or triggering events, with the process itself. For this study, grounded theory techniques promised a way of elucidating and integrating the linkages of interactions and outcomes, at different levels of abstraction and scope. This appeared to be an important strength of grounded theory, because it offered a solution to the problem of externalities, discussed in Section 2.1.1. A theory could thus be built that would be able to link general environmental factors and to the specific dynamics of a work group, such as a help desk team.

(iii)   Another attraction of grounded theory for the proposed study was that the approach is completely founded on the premise that the empirical data 'talks.' However, meanings must necessarily be conveyed through the awareness or sensitivity of the author that colours his or her understanding of the subject area. Another relevant point made by Turner (1981 p. 227) harks back to the discussion of epistemology (Paragraph 2.1.2.2). The 'world-view' of the researcher influences the execution of the investigative processes and thus also outcome plausibility:

'Research is concerned neither with the production of fantasies about the world nor with mere mechanical fact gathering. In social inquiry, there is an interaction between the researcher and the world and in this interaction, the "quality" of the properties of the world must be recognised.'

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This bond between researcher and participants has always to be borne in mind when using interpretive approaches. In order to reconstruct the subjective meaning and intentions of the participants, their language has, in a sense, to be translated by the researcher, who will have his or her own frame of reference. In its purist form (and this is still seems to be a matter of debate between research theorists) there is an absence of any preconceived ideas, frameworks or paradigms, predisposing the construction of the phenomenon.

(iv)   The grounding process is carried out through continuous interaction between empirical data analysis and synthesis of the theory: the work in a given cycle reflects outcomes from the previous cycle. Here, the similarity of grounded theory with action research is clear (Baskerville and Pres-Heje *op.cit*). The method of making a constant comparison of data analysis results is implemented by means of a structured set of tasks, completed through the application of techniques such as 'coding' and 'memo' writing (see Chapter 3.2). The process of undertaking a grounded theory investigation appeared to the author to be is different from the other methodologies considered. These seemed to suggest that the capture of all the data should be followed by a lengthy, *post hoc* analysis stage. In contrast, grounded theorists are required to use the emerging theory to direct and modify the data collection operation, while data capture is actually in progress (see Paragraph 2.4.1.1).

(v)   The author also found the apparent rigour, some critics would say the prescription, of the methodology reassuring and a refreshing antidote to the somewhat vague and insubstantial descriptions of some other approaches that been considered. Notwithstanding these positive reasons for using grounded theory, it was still a matter of concern to the author that the methodology seemed to require quite an 'act of faith' that something will (eventually) emerge from the theory development process.

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2.3.2 Grounded Theory – Some Issues.

Before employing the methodology, the author sought clarifications of key points of principles with regard to the practical use of grounded theory. Four questions needed answering and each is discussed below.

2.3.2.1 The Issue of 'Forcing.'

(i) One of the first things the novice researcher confronts when planning a research strategy based upon grounded theory, is the divergence of views between the original creators of grounded theory (Glaser and Strauss 1967) about how the methodology should be implemented in practice. Partly, the contention between the two camps seems to be a reaction to what grounded theory 'purists' perceive to be a form of prescription implemented within the set of methods developed by Strauss and Corbin (1990 ; *op. cit.*). Although the two pioneers of grounded theory latterly moved closer to a common view, sufficient differences remain concerning the nature of 'theoretical sensitivity' and theory verification that require the researcher to make a choice about which version of the methodology to adopt.

(ii) Originally, both Strauss and Corbin maintained that there are three natural modes of grounded theory: induction; deduction and verification. The cycle proceeds a number of times, using different cases to find variation in the data with a constant interplay between the modes, within each cycle, to ensure efficacy and completeness of the grounding. Later Glaser (1978) changed to the position whereby theory verification is seen as a completely separate methodology. In his view, grounded theory is purely inductive. Strauss was seen as advocating the 'forcing' of concepts from the data, rather than letting the theory emerge naturally, to truly reflect the phenomenon (Glaser 1992).

Locke (*op.cit.* p.3) explains that this debate concerns the issue of theoretical sensitivity: Glaser arguing the position that the researcher should have as few preconceived ideas as possible, before undertaking the theory discovery process:

'The researcher avoids the postulation, expectations, or existing mental models. This is so that the researcher is receptive and susceptible to the primary evidence of events, actions and actors *without affect of existing biases or preconceived ideas.* '

The last passage, (author's italics) is of crucial important, because this is probably what Glaser meant when warning about the dangers of 'forcing' theory from data. Thus there is no difficulty with researcher being knowledgeable or be skillful in methodology but should not have hypothesis to be 'proven' by the grounding process.

In contrast, the Straussian ideology maintains that history, knowledge and personal experiences form the researcher. He or She must therefore gain understanding, insight and awareness of the research domain from current theories and ideas. This is so the concepts developed from the data are true, in the sense of relevance and plausibility of the theory (Carvalho and Hudson 1998).

(iii)   Regardless of the reasons for the variants of grounded theory, an appreciation of the two methodological assertions of the co-founders of grounded theory was important for the author. Sympathy with one side or another had practical significance. In particular, for the form of data gathered and the confidence the researcher can place in the use of the coding algorithm to interpret the data (see Section 3.3.3) will vary. The author needed to take a position on the issue, since the worst possible situation would be that of using both some aspects of one tradition and other elements of the alternative approach.

(iv)   The author chose to take what might be called the 'revisionist' line. This was because the author knew, or thought she knew certain things about the problem domain. For example, the differences between the attitudes of IS developers and 'users' to project commitments. Accordingly, the view of Strauss was adopted, because his ideas enabled the investigation to start from an understanding, derived from personal experience and knowledge. However, after the grounding exercise had been completed and reviewed, the author became more disposed to the Glaser position. Experience alerted the author to the dangers of presumptions and illustrated the need for the researcher to be continuously aware of personal views and expectations. This can confound the development of a truthful theory. A means for achieving theoretical awareness, in advance of embarking on a grounded theory project, is suggested in Section 6.3.2.

2.3.3 The Issue of Theory Quality.

The author thought that the general quality of the inducted theory could be predicted by framing questions that seek to identify situational factors that might constrain the successful use of the grounded theory methodology.

2.3.3.1   To achieve a success is it necessary to follow every step of the grounding process, or can some parts be used selectively?

At a fundamental level, this question is about whether, 'grounded theory' is a philosophy, or a way of doing things (Atkinson 1999 ; Kirke 1999). At this point, the author did not know if it was possible to be selective in the application of grounded theory. The only analogy that could be drawn upon to resolve this dilemma was that of deploying systems development methodologies. Here, it is usual to do all the tasks: even if some are carried out very quickly. The decision was therefore made that the study would attempt to follow the grounded theory methodology completely.

2.3.3.2   To what extent should existing theories influence the development of the empirically generated theory?

(i)   There is no need to rehearse the arguments made above concerning theoretical sensitivity and 'forcing.' Suffice it to say that a basic assumption had been made that the relationship took the form of provider/supplier - receiver/customer (Table Three). The impetus for the research was that much was unknown about the construction and development of that relationship. The aim of the research was not to prove a hypothesis about internal customers or providers but to develop a theory, from first principles, illuminating the nature of internal relationships like that of the ISO and user areas.

(ii)   The Struassian view suggests that it was both unnecessary and impractical to abandon all, or most of the existing knowledge of relationships that the author had gathered to date. Given this stance, the author felt that the initial stage of grounded theory had been carried out, since theoretical sensitivity to the knowledge domain had been established. Strauss and Corbin support this opinion. They suggest that relevant knowledge can come from two sources. What they call the 'technical literature': previous empirical and theoretical research or from secondary sources of data gathered for other purposes. Although the author had little of the second variety, the conclusion reached that was this was not significant for this study and as much practical, sensitivity to the intended domain of study had been achieved.

2.3.3.3   How can the Quality of the Grounded Theory be Evaluated?

(i)   Researchers in qualitative forms of inquiry, for example, Denzin and Lincoln (1998) and Silverman (2000) put great emphasis on ensuring the highest levels of transferability, dependability and authentication of the research outcomes.

Reliability is established in terms of theory cohesion, by looking at the rigour and transparency of the development process. The quality of the grounding is verified in terms of the conformance of the research to the 'normal' way of developing theory. The second test is to establish the validity of the theory in terms of its robustness. This can be demonstrated by an ability to show the evolution of the phenomenon in response to events. A theory is valid if it is congruent with the empirical data: so a 'good' theory would be one that explains not only what changes occur but why, when and how things happen.

(ii) A grounded theory may be valid but not true and *vice versa* (Williams and May 1996 pp. 135 *ff*). In quantitative studies a hypothesis can be tested by an ability to be generalised from the specific situation to a wider canvas, including other circumstances or timeframes. Since a grounded theory is an explanation of a phenomenon within certain boundaries and constraints, generalisability of the theory is articulated in terms of its *limitations* (Bacharach 1989 ; Van de Ven and Drazin 1995). A grounded theory can be also be generalised by developing it to a more abstract level (Strauss 1995). Explaining the linkage between a grounded and general theory, Martin and Turner (1986 p. 143) suggest:

'An emerging grounded theory primarily justifies itself by providing a detailed and carefully crafted account of the area under investigation. The account moreover, enables the researcher to ask questions about the similarities and differences between this theory and other more general theories in the field, particularly with respect to goodness of fit and scope of coverage.'

Finally, Weick (1984) and Langley (1999) caution that there is always a three-way tradeoff of richness, complexity and scope with every form of interpretive research. Grounded theories are rich; they can be generalised - but are rarely simple!

2.4   Development of the Detailed Research Plan.

Once the author had some idea about the potential issues associated with the use of grounded theory, detailed planning for the capture of empirical data could commence. This Chapter explains how this was done.

2.4.1. Design of the Sampling Framework.

2.4.1.1   Unit of Analysis.

To choose the sampling unit, the characteristics of this particular study were tested against criteria suggested by Benbasat, Goldstein and Mead (1987). The more strongly *negative* the responses to a question, the more there is an argument for organizations as the basis for the sample, rather than individuals within a particular organization.

(i)   Can the phenomenon be studied outside its natural setting?

This is unlikely. The internal organizational context is important for a theory of internal customer-provider relationships. Organizational variation is needed to identify contextual elements of the grounded theory.

(ii)   Is there a need to focus on contemporary events?

This is uncertain. External conditions may change in the short term but in the absence of a catastrophic event such as the collapse of the enterprise, internal relationships represent a reasonably stable phenomenon.

(iii)   Is strict control or intervention needed to limit the variables?

        Possibly not required. At this stage of the research, the author
        did not know which contextual factors might influence
        relationship. It was thought that the industry sector could be
        significant, since there are some obvious cultural differences
        for relationships between public authorities and private
        enterprise organizations. Other general variables thought to be
        of importance, were the size and structural complexity of an
        organization.

(iv)   Does the phenomenon enjoy an established theory base?

        This is debatable. As discussed in Part One of the thesis,
        whilst much is known about service quality, customer
        orientation and provider-receiver relationships, the focus has
        been on external consumers, industrial/commercial markets, or
        inter-company partnerships. Relatively little research work has
        been done on internal services in general and even less
        specifically devoted to IT-based services.

The author concluded from the analysis that the phenomenon needed to be sampled in different organizations but care may have to be taken to exert some control over situational and contextual variables.

2.4.1.2   Sampling Methods.

A good sample is one that is representative of the whole population. Patton (1990 pp. 169 –181) provides a whole range of sampling methods but for this study two strategies in particular seemed to be the most relevant: theoretical sampling and purposeful sampling. Each is discussed below.

(i)   Theoretical Sampling.

The author saw theoretical sampling as rigorously pure, in terms of the precepts of Grounded Theory. Following this principle would mean that the choice of an organization and informants would depend upon outcomes from each data collection/analysis cycle. Theoretical sampling thus directs the researcher to discover more about the phenomenon under question through the collection of further data to check, fill out and extend ideas identified in the preceding case. Case 'zero' is derived from the secondary literature. This leads to the first empirical case. Then, on the basis of the analysis of the data, through comparison of the emerging theory with the previous version, additional case(s) are selected and so on. Since the sampling quanta would be organizations, this would lead to sampling at another organization - the nature of which could not be predicted because it depends upon what was found in the data. Theoretical sampling continues until the researcher feels that more cases are unnecessary, because all the concepts have been discovered within the data. The point when this is reached is called 'saturation' (Glaser 1992).

(ii)   Purposive Sampling.

This type of sampling means that cases are selected in advance using predefined criteria. For example, organizations representing 'extreme' cases and those that are 'normal' or typical. A common sub-type of purposive sampling is based upon convenience: where access happens to be most easily available. Purposive sampling provides more assurance, than theoretical sampling, because the progressive selection of cases is under control of the researcher. However, if the case sites are chosen randomly, without some structure, the validity of the grounded theory can be severely degraded, because the iterative, constant comparison principle of grounded theory (Paragraph 2.2.1.3 ii) cannot be properly implemented.

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2.4.1.3   Comparison of Sampling Methods.

(i)   The advice of Eisenhardt (1989) and Dyer and Wilkins (1991) was useful for resolving the choice of sampling regimes but practical considerations played the most significant part in deciding what to do. The author foresaw significant problems with using theoretical sampling. The risks associated with this strategy appeared to be formidable for a novice researcher, with limited time and resource. Not least of these concerns was how to start the sampling *ab initio*, so to speak and then manage the process to completion. Therefore, the author decided that the study sites would be selected using purposeful sampling, based upon the principles articulated by Yin (1994 p. 46):

(a)   'Normal' cases to initially create and then to develop the grounded theory.

(b)   A 'divergent' case, so as to extend and enrich the emerging theory.

Although purposeful sampling was chosen, this did not preclude its use with a more dynamic sampling approach *within* an organization (see Section 2.4.3).

2.4.1.4   Elaboration of the Sampling Strategy.

(i)   As noted earlier, a grounded theory, as a type of contingent theory, is restricted in terms of applicability to specified circumstances and limitations (Paragraph 2.3.3.3 ii). Therefore, the author thought that theory development would be more effective if the investigation were focused upon a specific business sector. This would balance sample variation with the need to limit confounding environmental variables, likely to be associated with profoundly different types of business. For example, a new small "Dot Com" start-up company compared to say Local Government authority.

Although significant differences between organizations would help the compare and contrast aspect of the sampling, the author considered that extreme contrariety could overwhelm the subtler aspects of customer-provider relationships being looked for by the research.

(ii)   The particular sector selected for the study was the insurance industry. This choice was made for two reasons. Firstly, the author had experience of working within these organizations. On balance, this personal knowledge was thought to be of some advantage when establishing credibility with participants in the case study companies. The author was aware that familiarity could lead to bias and the making of unwarranted assumptions, causing important facets of the phenomenon to be missed by the investigation. The second reason was the homogeneous nature of the technical infrastructure within these companies. Insurance organizations tend to be highly centralised and, in a technological sense, traditionally structured. Furthermore, their business information systems are usually implemented as similar applications, often based upon IBM platforms and operating with other common industry-wide IT architectures. The author considered that congruent technical environments would lend uniformity to the internal domains, reducing the effect of confounding variables but allowing social issues to be brought into sharper relief.

(iii)   The plan was to obtain the necessary diversity and complexity of relationships, by selecting different size companies, as measured by their premium income. The thought was that a large organization should have a wide range of customer-provider relationships than a smaller enterprise. A relatively smaller site, on the other hand, might allow particular aspects of relationships to be unraveled in detail. Finally, to meet recommendation of Yin (*op.cit.*) and Mason (1996), for 'divergent' sample cases, a company was identified in another industry, operating to a scale and structure different to those organizations in the 'normal' sample.

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2.4.2. Implementing the Sampling Regime.

This Section discusses how purposeful sampling of organizations was implemented and how theoretical sampling was also employed to guide the selection of informants within an organization.

2.4.2.1   Stage One – Selection of the Organizations.

Although the author had ready access to a suitable 'divergent' or contrast case organization but it was more of a challenge to organise the 'normal' set. Candidate companies were to drawn from more than one hundred or so, Life and General insurance providers writing business in the U.K, at the time that the primary research phase was started. The selection of final sample organizations went through several steps and these are discussed below:

(i)   The first task was to sub-divide the potential population into two sets: Life Assurance and General Insurance. It was the author's experience that the nature of the product, long term in the former and a annual cycle of business in the latter set, creates a different culture and service climate. Since the scale of the business was also thought to influence customer – provider relationships, the decision was made to recruit a range of organizations of different size/complexity in each sub-set. Income was taken as a guide for selection. A limit of Two Hundred Million Pounds, annual direct written premium income divided the larger from smaller size companies. The number of employees in the business was used as an indicator organizational complexity. Applying these criteria suggested large/small in the Life and General Insurance sector would form the minimum sample, consisting of four companies.

(ii)   By using directories and yearbooks, more than half of the hundred candidate organizations was eliminated from further consideration in the second step. Firms disregarded were either geographically too distant to be a practical for a series of on-site visits and/or, did not retain an in-house IS department. The four sample groups, each consisting of approximately a dozen companies were then scrutinised in detail. The author looked for organizations where an individual was clearly named as the head of the IT function, so attempts to garner co-operation could be focused upon an individual. This selection resulted in a list of around thirty companies that met all the criteria.

(iii)   Next, a senior business executive or the IT Director (or an individual with an equivalent job title) within each company was then contacted by letter, seeking help with the research. Some companies ignored attempts at contact or said it was inconvenient at the time when the investigations were planned to take place. When a provisional offer of co-operation had been secured, subsequent communications were by telephone and/or email. In this way, the author eventually gained agreement from four organizations to participate in the research. Two of the companies were fully centralised at a single site; the other two organizations had several IT/administrative centres. After access to the normal set had been finalised, arrangements were then made for visiting the 'divergent' company.

2.4.2.2   Stage Two   -   Selection of Relationship Role Groups.

A model proposed by Gummerson (1992 ; 1993) was used to recognise generic customer-provider service roles. This model was adapted for the ISO – Business relationship. A particular job might subsume a number of roles; the converse might also be true. Table Five shows the sample set and this should be read in conjunction with the following key:

Key to Table Five - Internal Service Role Groups.

Customers.

- Owners: business executives; project sponsors; general managers; company directors.

- Consumers: people who use IT services or take actions based upon those services. Other may be involved with a service, though they may not necessarily use it.

Providers.

- Managers: IS/IT directors ; chief information officers; systems development; operations managers ; IT account executives.

- Deliverers: systems designers; developers; IS project managers, infrastructure planning specialists.

- Support: help desk staff; technical administrators; end-user trainers; network technicians (includes team supervisors).

The Primary Data Sample Set.

Characteristic	Case A	Case B	Case C	Case D	Case E	All Cases
Industry Sector	Life Insurance	General and Life Insurance	Life and General Insurance	Life Insurance	Travel and Transport	
No. of Employees	3500 (UK)	2500 (UK)	15,000 (UK)	500 (UK)	65,000 (World)	
No. of IS Professionals	135	115	1,100	12	2,200	
No. of Main UK IT sites	1	1	3	1	1	7
Information Technology Base	IBM Mainframe Digital H.P. Sun	IBM Midrange (AS/400) ICL/Hitachi	IBM Mainframe Distributed Client/ Server	Client/ Server and Network PC	IBM Mainframe Distributed Client/ Server	
Length of time IT used	28 years	35 Years	30 Years	15 Years	40 Years	30 Years (average)
ISO structure	Centralised and Outsourced	Centralised	Federated	Partly Outsourced	Centralised and Outsourced	
Organization Sample Type	Normal Large	Normal Small	Normal Large	Normal Small	Divergent Very Large	
Customer: Owners	1	1	1	1		4
Customer: Consumers		1	1		1	3
Provider: Managers	1	1	2		3	7
Provider: Deliverers	1	1	3		1	6
Provider: Support	1	1	1	1		4
Total	4	5	8	2	5	24

2.4.3. Topics to be Investigated.

The plan was to build an initial version of the theory, using data collected through purposeful sampling. Thereafter, data to refine the theory would be gathered through theoretical sampling. Therefore, the author had to structure the topic areas for which initial data was to be collected. This structure needed to reflect both the research axioms established earlier (Table Three) and the research objectives (Section 1.4.3). That is, the questions needed to acknowledge each facet to the constitution and operation of the ISO-business relationship as an implementation of the customer-provider paradigm.

2.4.3.1. Elaboration of the Primary Research Topics.

- The topics to be investigated are presented in Tables Six (a-c). These pertain to a particular dimension of role relationships: organizational settings; group processes; and personal situations. Individual topic areas have been listed alphabetically. These show the key elements of relationships, distilled from the literature, practitioner concerns and the general background knowledge of the author.

- The literature sources were selected on the basis of practical utility for informing the construction of the questions. The more important sources appear several times, because they helped to formulate questions for more than a single topic area.

- A cross in column indicates the intended groups targeted for the questions about a topic area. The following abbreviations have been used :

♦ CSC = Customer Service Consumer
♦ CSO = Customer Service Owner
♦ PSD = Provider Service Deliverer
♦ PSM = Provider Service Manager
♦ PSS = Provider Service Supporter

Table Six (a).
Investigation Topic Areas (1) - Organizational Situation.

Topic Area	Source	C SC	c so	p SD	P SM	P ss
1-Organizational Roles (for Services)	Bashein and Markus 1997; Hays 1997 ; Montealgre 1997 ; Murray 1996; Peppard and Ward 1999 Rands 1992 ; Schneider and Lovelock 1988; Vandermerwe and Gilbert 1991; Ward and Peppard 1996.		X		X	
2.-Organizational Culture (for Services)	Brown and Starkey 1994 ; Butterfield and Pendedgraft 1996; Chelte 1989; DuGay and Salaman 1992 ; Laud and Thies 1997; Ogbonna and Harris 1998; Peppard and Ward 1999; Ward and Peppard 1996 ; Webster 1990.		X		X	
3-Organizational Politics (for Services)	Auty and Long 1999 ; Davenport *et al.* 1992 ; Leonard-Barton and Deschamps ; Hickson 1990 ; Markus and Keil 1994 ; Overton, Frolick and Wiles 1996 ; Smith and McKeen 1992 ; Watson 1990.		X		X	

Table Six (b).
Investigation Topic Areas (2) - Work Group Situation.

Topic Area	Source	C SC	c s o	p SD	p SM	p s s
4-Delivery of Services	Bakar 1994 ; Cooke 1998 ; Culnan 1985; Jones, Subramani and Henderson 1996; Kettingerand Lee 1997; Pitt, Watson and Kavan 1995 ; Shemwell, Yavas and Bilgin 1998 ; Smith 1995 ; Watson *et al* 1993.	X			X	X
5- Development of Services	Brelin 1993; Ditsa and Macgregor 1997; Hiles 1993; Kettinger and Lee 1997; Lings and Brooks 1998; Newman and Saberwhal 1996; Rands 1992; Ring and Van de Ven 1989; Saberwal and Robey 1993.	X	X		X	
6-Evaluation of Services	Band 1990 ; Dickson, Wells and Wilkes 1988; Goodhue 1995 ; Gulliver 1992 ; Ishman 1996 ; Karten 1994 Katz 1994; Myers, Kappleman, Prybutok 1997;; Prager and Overholt 1994; Pitt, Berthon and Lane 1998; Singleton, McClean and Altman 1988; Whyte, Bytheway and Edwards 1997.	X	X	X	X	X
7-Service Management Role	Barua and Ravindran 1996; Brown, McClean and Straub 1996; Butler 1991; Cavaye 1994; Cowles 1997; Dantzig 1995; Doll 1985; Earl, Edwards, Feeny 1997; Earl and Stamper 1998 ; Gordan and Gordan 2000; Iacono, Subramani, Henderson 1995 ; Laud and Thies 1997 ; McKnight et al. 1998 ; Moorman, Zaltman 1992.		X		X	

Table Six (c).
Investigation Topic Areas (3) - Individual Situation.

Topic Area	Source for Questions	C SC	C so	p SD	p SM	P ss
8-Service Individual Role - Inputs	Beaton and Beaton 1995 Burgess and Turner 1999 Newman and Saberwal 1996 O'Reilly and Chatman 1986 Phillips and Brown 1993; Shapiro Sheppard and Cheraskin 1992; Swatzand Brown 1989.	X	X	X	X	X
9-Service Individual Role - Outputs	Allingham and O'Connor 1992; Barry and Crant 2000 Buchanan and Huczynski 1997; Culpan 1995 ; Feiger and Coakley 1995 ; Frooman 1999 ; Gunes and Kappleman 1995 ; Karten 1994 ; Lyytinen 1988 ; Martinko, Henry and Zmud 1996 ; Swartz and Brown 1989.	X	X	X	X	X

2.4.4. Evaluation of Data Collection Methods.

The next phase of the research strategy design required the author to settle upon the best way to collect the data needed for the topic areas. There appeared to be four data methods to choose from and each of these is evaluated below. Objections to a method were considered and then each method ranked in order of its apparent salience for researching the topics.

2.4.4.1 Questionnaires.

The use of questionnaires was evaluated first. The author could see the possible place for them in the collection of follow-up, or factual material, but was uncomfortable with such a 'hands-off' way of acquiring primary data. Since the target of the study was clearly to do with people in their own working environment the use of questionnaires seemed to be incompatible with an attempt to understand the richness of the more hidden and subtler aspects of the relationships. The author considered visits to the case study sites, to gather data in-situ, to be essential for the development of a fully grounded theory. Furthermore, questions could not be fully defined in advance, since no existing instrument was going to be used to prove, or refute, an existing model, or hypothesis. The third reason for rejecting questionnaires was that the number of informants was sufficiently limited to enable them to be directly involved in the study. The key word here being 'involved', in the sense of collaboration, enthusiasm and support for the research.

2.4.4.2 Textual Analysis.

Textual materials were a possible source of data. Documents relevant to the ISO-business relationship, such as job descriptions, process specifications, contracts, service agreements could be sequentially analysed in detail to yield the underlying theoretical constructs of the phenomenon.

The author had reservations about textual analysis from both a theoretical and practical perspective. Firstly, textual sources may be criticised from an epistemological point of view, since they represent a social reality imposed by the author of that text (Lacity and Janson 1994). Other researchers, however, extol the virtues of text from a post-modernist stance. For example, Goodall (1992) argues that powerful insights into the nuances of organizations may be gained from the critical deconstruction of texts. For the author, the philosophical debate was not the key issue. More crucial, was the practical difficulty of proceeding with a research programme, in circumstances, where there was no *a priori* evidence that such documents would be made available, or indeed, actually existed. It was judged too risky to base a strategy on an unsubstantiated source of primary data.

2.4.4.3   Observation.

Direct observation of people was an attractive option. The undoubted advantage of this method was closeness to the phenomenon. Epistemologically, it seemed to be the best way to get an in-depth understanding, particularly of the possible contextual and sub-cultural aspects of the ISO and business. On closer consideration, however, there appeared to be a number of practical drawbacks. Although visits could be made to the study sites, it was unlikely that the author would be able to schedule a series of observations in different organizations, over a period of many months. There was also doubt on the part of the author, that those being observed would be willing to participate to the extent required. Although the truth of the matter was not known fully, this was thought to be the situation, especially because the author would be studying potential informants, at least initially, as a complete outsider. The author resolved to make some use of observation but to restrict it to field notes. The purpose of the notes would be to record the authors' immediate observations and impressions about the general environment of the case study sites.

2.4.4.4   Interviewing.

Given the social nature of the inquiry, it is fair to say that interviewing always seemed the most likely choice for the data collection method. The author saw interviewing as the most apposite and flexible means to collect data since the reach and range of questions could be adjusted as sampling proceeded. On the other hand, a criticism of this choice might be that interviewing was adopted *too easily* as the solution. Here, the author acknowledges a bias toward the use of interviews and also textual analysis for that matter, arising from previous practical experience of using these two methods for the development of information systems. The interviewing plan is discussed in Section 2.4.5.

2.4.4.5   Multiple Methods.

The author was aware of the danger of relying solely upon interviews as single source, since an interviewee might not really be telling the whole 'truth' but providing a version the researcher wants to hear. However, the author found conflicting advice in the literature concerning the use of multiple methods. Holstein and Gubrium (1995) suggest that the use of several methods may enable the researcher to discriminate between informants sharing real experiences and those simply providing a narrative of events. Brewerton and Millward (2001) and Janesick (1994) also support using methodological triangulation to improve reliability of the research process. Silverman (2000) on the other hand, argues persuasively for the contrary view. He cautions against the uncritical and naïve use of different methods, in the mistaken belief that these will provide a more complete picture. Instead of improvement, multiple methods can introduce complexity and confusion into the subsequent data analysis stage.

After weighing up the pros and cons of the four methods, the author decided upon a compromise: to employ interviewing as the main data collection method and other methods highly selectively, when the author judged these would enhance the integrity and completeness of the data.

2.4.5   Interviewing - Structure and Implementation Planning.

This Section describes the final set of tasks completed before the practical stage of the research was started. For the interview plan to be put into action, the author needed to make two key decisions: the form of the interviews and the identity of the informants.

2.4.5.1   Forms of Interviewing.

The nature of interpretive studies means that the detailed design of the data collection process is difficult to fully plan in advance. This is because as the inquiry progresses, emerging understanding and insights quite naturally change what the researcher is looking for. Moreover, 'answers' are always context-specific and non-standard from place to place or person to person. The author needed to prepare for the situation, where some things that appeared to be significant initially might dwindle in importance but new concepts would arise. This unpredictability had important implications for interview structure and content as discussed below.

Firstly, the interview programme itself would be dynamic, needing continuous review and revision during data collection phase. With regard to content, different questions would be used for particular informants. Tables Five (a-c), shows some of the topics that were relevant to all groups, while other questions were aimed at particular types of informants. Since form should follow function, the author resolved to take a 'thick sandwich' approach to the interviews, based upon the principles stated in Section 2.4.1(above).

(a) Phase One: initial interviews, using previously identified informants, to establish a prototype version of the theory and to refine the questions.

(b) Phase Two: further interviews to build a base of data, for developing the grounded theory. The informants would be identified in situ, through the theoretical sampling process.

(c) Phase Three: to use another group of specified informants, to seek clarification and possible explanation of issues, contradictions and discrepancies, found in earlier accounts in phases one and two.

(a.)   Phase One   -   Grounded Theory Creation.

The aim of the initial interviews was to build a 'first cut' version of the grounded theory. To enable this to be done, all questions were to be covered across the five service role groups; each represented by one informant. The idea was to cover every topic area, by using the questions like a script to control the pace and content of the interview. Some topics were generic, so the author planned to ask these questions in a set sequence and to keep the wording similar for all informants. After this phase was completed, the questions were to be edited: dispensing with the ones that did not elicit a useful response and adding new, more appropriate questions.

(b.)   Phase Two   –   Grounded Theory Development.

For this phase the intention was that theoretical sampling would drive data acquisition. After each interview, the results from the analysis of the data would be used to decide what to ask and whom to ask next. Interviews were to be semi-structured, with questions reviewed after each and every interview. Another difference between this stage and the previous one was that the author would use the questions relevant to the informant in a proactive way. The idea was to encourage the individuals to bring out themes and ideas, by introducing the topic and then guiding the discussion only where necessary to ensure that a particular topic area was properly covered.

(c.)   Phase Three   –   Theory Authentication.

The final series of interviews were intended to verify the responses and outcomes from the second phase. Questions were to be selectively chosen from the revised set. The interviews would need to be very loosely structured and questions put to interviewees in a form asking for comments about what other informants had said about a particular topic.

2.4.5.2   Informant Recruitment.

The author needed to find individuals who would be both knowledgeable and open to sharing that knowledge: this is not easily achieved when entering the research domain as an outsider (Paragraph 2.2.2.1).

Informants were enrolled as follows:

- For the Phase One interviews, the main contact in the organization was asked to identify one person who could represent a role group. The author added that for the customers side, a critic of the ISO would be preferred, since early articulation of relationship issues and problems would more likely come from this position, rather than an ISO supporter or someone more satisfied with the *status quo*.

- Theoretical sampling drove the middle phase of interviewing, so it was not possible to specify in advance who would be required and when. The author agreed with the main contact that, if possible, each informant would be asked their opinion about who might be best person to interview next, so as to help with the development of emerging themes. The assumption being that the nominated individual was available, willing and able to talk about a particular subject.

- For the final set of interviews the author decided to gather the views of IT account managers. The author knew from preliminary contacts that this internal relationship role existed in the divergent company, 'E' and a normal organization, 'C'. Whilst this choice of informants may have weighted the data in favour of the bigger organizations, the author thought that the knowledge to be gained from individuals expressly concerned with relationship management outweighed the problem of bias. Furthermore, the author asked for (and was actually was given) the names of two people who had worked in the line business areas, before moving into an account management role. The three other people chosen for interview had previously worked as IS project or programme managers.

2.4.5.3   The Structure of the Question Set.

The questions used for the interviews were designed in accordance with principles enunciated by Charmaz (1983 ; 1990) and Rubin and Rubin (1995). Firstly there were to be some introductory questions, neutral in nature and limited to necessary information about the study site, the job title and role of the interviewee and a brief summary of the I.T. services provided or received.

Discussions around the informational questions were to be the core of the interviews, with the aim of eliciting knowledge concerning the working environment and those service activities that might affect relationship development. These questions would concentrate upon the issues and events within the interviewee's experience. The intention was to establish the types of interaction. For instance, how well were changes to an operational service communicated between, say, a computer network support group and business users, both local and remote?

Other questions tried to uncover attitudes and personal feelings. For example, the perceived contribution of information systems to the success of the business, from the viewpoint of the both the IT department and the internal customer. Here, the informants were to be asked to speculate on the way things should be. For example, what image did they (the business) personally hold about the ISO and reasons why they thought the situation was like this. The purpose of these 'reflexive' questions was to get the interviewees to put relationship problems, issues and events in the context of their own context and circumstances.

It was decided not to over-plan the closing stage. The author wished to complete the session on an upbeat note, by using the final ten minutes or so of the session to thank the interviewees for their co-operation. Where appropriate, the person would be asked to recommend someone who could continue the debate about those issues, which had emerged during the interview. Time permitting, a chance would be sought to check particularly important themes and topics that had been identified earlier in the interview session.

2.4.5.4   The Content of the Question Set.

The questions were about the topics presented in Table Six (a – c). As explained in Paragraph 2.4.4.1, the plan was to employ the questions in a standard way during the initial phase and then to use them selectively, in the next two phases, to explore the themes arising from each interview. The version of the question set, shown in Appendix 'B', is based upon the topic tables and employed for the first set of interviews. Some, but not all the questions were modified as the data were coded during 'Open Coding' data analysis stage (see Chapter 3.3).

Question phasing represented a trade-off between consistency and a completely loose approach that allows for change of direction during an interview. The need was to:

(a)   Stimulate discussion around the themes of customer-supplier interactions and their context. The word 'relationship' was not included within any of the questions, since the constitution of internal relationships was the phenomenon to be explored.

(b)   Ensure balanced coverage and emphasis. There were to be approximately a similar number of questions available for each theme. Some questions were about attitudes and were to be posed in the form: 'What do you think/feel about...?' Others highlighted behaviours, by asking: 'What do you do? or How do you?'

2.4.5.5   Interview Protocol.

As part of the final planning exercise, a procedural protocol was settled upon. The aim was to set out the 'rules of engagement', outlining how the research was to be conducted, in a letter to the primary contact at each of the study organizations. The protocol devised (and actually followed) is listed below:

- The company and informants were to be anonymous.
- Each interviewee was to be provided with a statement of the objectives for the interview.
- Each interview was to last no longer than two hours.
- Interviews, with informant permission, were to be taped.
- Transcripts were to be provided to the interviewee for review and possible correction.
- Additional factual information would be collected after the interview session.

2.4.6 Method of Data Analysis.

The final phase of strategy development was to select the best way to analyse the data collected. There were several ways that this could have been done, including qualitative content analysis and global analysis (Flick 2002). Theoretical coding was chosen as the approach because it integrates so well with the 'constant comparison' principle and the process of progressive abstraction inherent within the grounded theory philosophy. Kelle, Prein and Bird (1995), assert that the aim of coding is translation of the frames meaning (of the social actors) into theoretical forms and concepts. Theoretical codes are references to label and separate, the different elements of phenomenona found within the empirical data. These elements may include incidents, events, actions etc of organizational entities, individuals, or other instances of potential interest to the researcher. The interpretive process of grounding requires different types of coding to reflect the stage of theory development and is summarised in Table Seven. Although concepts, categories and constructs appear to be generated during specific stages of grounding, they can and do appear at any stage: there is often a need to 'backward chain' through versions of code structures. Frequently, the researcher will find that some (coded) entities are deleted; only to be revived later.

Table Seven.
A Summary of Theoretical Coding Activities.

Coding Stage	Inquiry	Purpose	Outcome
One Open Coding	The 'how' of the data	Analysis	The identification of empirical concepts.
Two Axial Coding	The 'what' of the data	Synthesis	The definition of abstract cateaories.
Three Selective Coding	The 'why' of the data	Integration	The creation of theoretical constructs.

The Primary Research Strategy -   Summary.

This Part of the thesis has elaborated the major components of a strategy for conducting the empirical investigation. Firstly, the theoretical foundations of the research were established. Based upon these, grounded theory was justified as the research methodology, together with an explanation of how the methodology would be employed The final subject covered was data collection process. Each element of the research strategy is shown below:

Table Eight

A Summary of the Primary Research Strategy (after Butler 1998).

Research Element	Description
Ontological Position	The research entity is a psycho-social phenomenon.
Epistemological Stance	The biases of the researcher and informants will jointly influence the research process and outcomes.
Axiomatic Position	The research entity is construed as a form of customer-provider, service role-based relationship.
Methodological Perspective	Interpretation of empirical data from an etic view.
Research Method	Grounded theory.
Type of Study	Exploratory, instrumental, multi - case.
Units of Analysis	Internal customer or provider within an organization.
Sampling Method	Mixed - purposive and theoretical sampling.
Sampling Frame	Four life/general insurance companies and one non-insurance company. Five service role groups: customer owners; customer consumers; provider managers; provider deliverers; provider support staff.
Data Collection Method	Semi-structured interviews (recorded), using questions in a standardised and non-standardised way. Data may also be acquired from field notes and documents.
Data Analysis Techniques	Creation of concepts by reduction of discursive and other data through theoretical coding.

The next Part of the thesis describes execution of the research strategy. The author's experiences of data collection, analysis and conceptual synthesis are presented, as part of the evidential basis for the development of the grounded theory.

PART THREE –

IMPLEMENTATION OF THE

RESEARCH STRATEGY

PART THREE: IMPLEMENTATION OF THE RESEARCH STRATEGY.

This Part of the thesis explains how the research strategy, discussed earlier, was implemented in practice. The narration is structured into two chapters. Firstly, the experience of acquiring primary data at the research sites is discussed. This is followed by an exposition of the methods used to identify within the data recurring themes or concepts , how these concepts were clustered to form a number of abstract categories and then integrated to form a grounded theory.

3.1 Data Collection.

This chapter details how data was acquired through interviewing, documentation analysis and informal observation at the sample organizations.

3.1.1 Data Collection in Practice.

The research plan detailed in Part Two specifies how a series of interviews was designed to support sampling. In reality, although in the main the original scheme was followed, factors outside the author's control required changes to be made to the data collection programme. In particular, the order in which interviews were conducted at a particular site was contingent upon informant availability and his or her disposition to participate in the study.

3.1.1.1 Informant Reliability.

(i) During one of the early interviews an informant seemed to have a diametrically opposite recollection of events, about problems with a software package, to other people in the organization. From this incident, an issue recognised during the development of the research strategy, actually materialised. The question was; to what extent could the author assure the truthfulness of information provided by the interviewees? It seemed to the author, apart from establishing trust and rapport with the interviewees, the only sensible way to evaluate the quality of the information would be to find what Alasuutari (1995) calls 'indicators' of informant veracity.

(ii)   Accordingly, the author tried to maintain data integrity, by attempting to ensure that conversational richness was not lost in the transition from collection to subsequent analysis. Not only by making a complete record what was said but also how it was said (Drew 1995). To achieve this the author intended to enrich the interview transcripts by making notes of body language and other non-verbal clues about inner feelings, given by the informants as they spoke. In practice, making notes during an interview proved difficult to do, without impeding the discourse. Therefore, with some reluctance, this aspect of interviewing was abandoned after the first few attempts. Whilst keen to prevent possible loss of knowledge, the author felt that a less elaborate way might be found do achieve a similar result. The amended procedure was to write up informal field notes immediately after an interview had been completed. The purpose of the notes was to record the tone used when talking about topics generating a strong response. For example, the 'difficult attitudes' of certain IT staff.

3.1.1.2   Conduct of the Interviews.

(i)   In addition to the interviews detailed in Section 2.4.5 an introductory meeting was also held with the main contact at each of the study sites. The author intended that these sessions might serve several purposes: briefing the companies about the intended study, agreeing arrangements for interviews and obtaining permission to use relevant corporate publications. Some serendipitous background information about the company and its business situation obtained during the course of the preparatory work, was informally included as part of the relevant field notes. None of the participants asked for questions in advance of the interviews and permission was given to tape the interview by all but one person. The reason for the refusal seemed to be a matter of personal pique, because the interview had to be rescheduled at the last minute. In this case, a colleague of the author's also attended the session and made verbatim notes of the conversation.

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(ii)   Interviewing was conducted in three phases. The author's experience of carrying out these activities is reported below:

(a)   Phase One.

The use of standard questions (shown in Appendix 'B') and structured interview sessions were excellent for covering all the topics considered relevant for that informant as a representative of a role group. However, the author found it quite difficult to keep from suggesting answers or making her own observations and views known. The plan was complete five interviews to cover all role groups, but because of scheduling difficulties, these plans did not quite work out so well in practice. It actually took seven interviews to cover all the questions in the set.

(b)   Phase Two.

This phase was based upon theoretical sampling. So the selection of the informant and questions asked depended upon analysis of the evidence from the previous interview. All the case study organizations agreed that as much as possible, identification of individuals for subsequent interviews would be finalised after the author had reflected upon the results of previous interviews. However, some sessions could not take place in the ideal sequence (as prescribed by the constant comparison ideal) because of informant availability. For one person, a Main Board director, arrangements for the interviewing session had to be fixed three months in advance of the interview date. During the course of the study, two of the original participants also moved to different companies. Therefore, because of these problems, some interviews had to be completed 'out of sequence.'

Thus, although in the main theoretical sampling, for the purposes of open coding, was successfully implemented, it was partially compromised by a schedule necessarily dictated by the co-operation and availability of informants. Most of interview time was taken up with discussion around those questions that the author considered the informant would have specific knowledge about. However, whilst talking about help desks, availability, service level, outsourcing, etc., new elements emerged, such as personal trust, bargaining between groups and the importance of leadership. Thus the order and nuance of the questions was often changed in situ, to match what an informant appeared to know about and also, what they wanted to really talk about.

(c)   Phase Three.

The final phase was designed to 'fill in the gaps' found with in the data collected earlier. Here, the theoretical sampling regime was designed to develop and extend axial categories (Locke *op.cit.* p.83). Again, the author found that things did not quite go to plan. By their nature, the final set of interviews was quite unstructured and tended to be characterised by diversions and a few interruptions. Indeed, on occasions interviewees had to be steered away from taking over the agenda and there was also the continuous problem of over running. Many of the standard questions used for Phase One and subsequently modified in Phase Two were rephrased to be more pointed and provocative. For example, an inquiry about expectations was changed to: 'what do think about the idea the IT department staff tend to over-promise?' This was done to understand the reasons for differences of opinion about a service task quality.

(iii)   A convention was followed for transcribing the interview tapes. The standard adopted (Appendix 'C') was that advised by the vendors of the software package used to analyse data (Chapter 3.2). Transcripts were provided to all the participants, normally within about ten days from the date of the interview. A rapid turnaround of transcripts was necessary for three reasons:

- To quickly confirm content so that changes to questions could be reflected in plans for subsequent interview sessions.

- To use the letter accompanying the transcript as a 'thank you' for helping with the research and to sometimes act as a subtle reminder for additional information requested. In this regard, organizations were asked for, and in general provided, job descriptions, mission statements, service level agreements and service policy documents. Some informants also volunteered to consult colleagues to clarify and expand upon points that arose during conversation.

- To maintain the confidence of the informants in the author and thus to encourage continued participation in the research.

Mostly, the transcripts were returned unchanged, apart from some spelling or minor errors. Three of the transcripts had more significant alterations, made to remove remarks the interviewees later considered as politically sensitive, or otherwise injudicious. In accordance with the promise made to the participants for complete anonymity, the text subsequently used for analysis was the amended version. The author considered that ethically, it was the correct thing to do, if not entirely consistent with capturing 'truth' within the grounded theory process. It was the author's judgement that little of value within the data was lost by doing this. However, informal notes were made of the subject of these deleted comments, because in a few instances it helped the author to understand more clearly *why* something was being said. These notes were not included part of the text base but were used to develop memos written to support coding (see Paragraph 3.2.1.2 iii).

3.2   Data Analysis.

The technique used to analyse the data is referred to as 'coding.' Linkages between particular words, phrases or sentences are made by recording the researcher's interpretation of the concepts found within the empirical data. Each of these concepts is given a unique code, enabling the source data to be referenced and integrated, to form abstract classes called 'categories'. These are the building blocks of a grounded theory. This Chapter discusses the author's experience of using data coding in practice.

3.2.1. Data Management.

It is not crucial to the research how, physically, the researcher codes data. For example, hand-written index cards could have been used for this study, (Turner 1981). However, for reasons stated below, the author chose to employ the facilities provided by qualitative data analysis software (QDAS). This Section justifies the use of QDAS and also describes how the package was employed to support data coding.

3.2.1.1   The Justification for QDAS.

(i)   Improved Data Integrity and Security.

After the first few interviews had been completed, the author felt that the case became overwhelming for the use of computer facilities to support data analysis. The motivation for QDAS was not only to manage copious volumes of textual data but also to address concerns about data integrity and security. The author felt that paper-based methods increased the risk that valuable data might be lost or corrupted. The use of computer software also promised to enforce a systematisation of data analysis and lessen the incidence of errors, both of commission and omission, as discussed below.

(ii)   Process Reliability.

The conceptual ideas surrounding the issues of quality in qualitative research were discussed earlier (Section 2.3.3). Yin (1994, pp. 98-99) supports the application of QDAS for making the process of theory construction more robust, because there is a higher level of transparency. This is part of the *reliability* issue and is an important aspect of coding. Silverman (*op.cit.* p.175) quotes Hammersley's definition of reliability as:

'The degree of consistency with which instances are assigned to some category by different observers, or by the same observer, on different occasions.'

This definition states that theory reliability is achieved when the grounding has been carried out in such a way that should the coding of data be repeated, it would result in an outcome broadly similar to the original result. Although a team of researchers can test reliability by each coding the data and comparing results, this approach was not open to the author as a single researcher. Instead, QDAS was employed to maximise quality, by enforcing a standard approach to coding.

(iii)   Outcome Validity.

Although not explicitly claimed by the supporters of QDAS, the author thought that the *validity* of the grounded theory might be improved by the use of QDAS. 'Validity' in the context of interpretive research is about whether others might reasonably believe the assertions made by a researcher. The issue for QDAS is whether it raises confidence that the research findings accord with the 'facts.' Hammersley, again quoted by Silverman (*ibid*) portrays validity to mean:

'By validity, I mean truth: interpreted as the extent to which an account accurately represents the social phenomena to which it refers.'

The use of software *per se*, does not help the interpretation of data as meanings for a grounded theory, since this is an intellectual rather than an algorithmic process. However, advocates of QDAS, such as Kelle (1995) or Seale (1999), argue that the validity of qualitative research is improved through the use of computer software, because QDAS helps the whole process to be more transparent to others: outcomes are more credible than for manual methods of data analysis.

(iv)   Theory Plausibility.

Finally, there is yet another dimension to research quality. This is the degree to which the findings of the investigation (the grounded theory) might reasonably be generalised to other situations. Unlike the quantitative approach, this is not a statistical strategy, based upon scaling-up to a larger population or for different sets of conditions. The generalisability of a grounded theory, is an evaluation of the extent to which the empirically derived findings might have broader implications for the creation of a new, or extension to, an existing 'Formal Theory' (Chapter 6.4). A key factor here is the sampling strategy followed. Given that a 'good' sample represents a wider population, this sets limits to the plausibility of the research outcomes. If grounded theory is plausible, then it will be able to be seen as a special case, a contingent outcome, or facet, of a higher level, more abstract general theory. The use of QDAS has little direct affect upon plausibility. However, computer facilities do help to manage iterations through the data, enabling comparisons to be made of the results of one cycle to another. In this respect, QDAS can be seen supportive of theoretical sampling by its ability to:

- Manage versions of node structures (3.2.1.2 ii below).
- Link coding memos with the concepts (3.2.1.2 iii below).

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3.2.1.2   QDAS in Practice.

(i)   Knowledge and Skills Needed.

The only drawback foreseen for QDAS, was the learning curve
to gain the skills necessary to use the package and whether
this would detract from interviewing and theory development.
In reality, the effort needed to understand the selected
package (NUDIST4) turned out to be relatively minor
commitment. A more serious difficulty encountered was that
previously reported by Lonkila (1995): the procedures
inscribed within the system model of the package can insulate
the researcher from the getting a true, holistic, feel about the
data. The author found this to be true especially for 'axial
coding' (Section 3.3.2 below).

(ii)   Data Structuring and Retrieval.

Data coding was implemented in the QDAS package through
facilities that enabled the storage of a virtually unlimited
number of concepts, in an indexed system of 'nodes' (Section
3.2.3). These were managed in a tree-like structure,
representing a logical data schema of the customer-provider
relationship. Where appropriate, memos can be attached to a
node. The package also offered the possibility of maintaining
one, or more versions of the node structure. A simple example
that comes to mind, is the capability to support the relative
ranking of concept importance, by counting the frequency of
occurrence in the data. A second useful facility was the
excellent text searching functions. This was extensively
employed for analysing divergent case data, to seek evidence
which might refute, or weaken, the tentative conclusions drawn
from the four normal cases.

(iii)   Memoranda.

A simple but powerful technique supporting data coding is the
writing-up of short notes or memos contributing to theory
development. These record ideas about concepts and
categories, as they occur to the researcher and thus help to
implement the 'do and reflect' philosophy of grounded theory.
The author found QDAS to be useful for managing these
memos. Written notes of any length could be attached to
primary documents (such as an interview transcript or coding
node) and were also used to track categories, hypotheses, and
ideas, arising at any point during the grounding process.

The author found memos particularly beneficial for defining
concepts during ' Open Coding' (Section 3.3.1). For motivation,
memo writing was also found to be a relief and contrast from
some of the drudgery of coding. In retrospect, the author
should have made more use of memos for recording
observations about the research process itself. Memos for this
purpose were overlooked and consequently made the task of
writing the evaluative part of the thesis, more difficult than it
might otherwise have been.

3.3. Data Structuring.

3.3.1 Stage One – Open Coding.

3.3.1.1   Tasks and Methods.

Open coding restructures the data: from being individual and chronologically based, to cross-population, grouped around themes.

(i)   The 'comparative method' of Glaser (*op.cit.*), was adopted and adapted for open coding. Firstly, each and every sentence or phrase (the elements) within the text base was analysed to find incidents, descriptions of outcomes and results of actions. Mainly, these were found by searching for the participles of transitive verbs within each element. The author then asked several questions of the data:

> - What is happening?
> - Who are the people involved?
> - What is the situation for each person?
> - What is the person(s) doing?
> - What is the person(s) thinking or feeling?

(ii)   The author interpreted the answer to these questions in terms as a concept. Where answers were similar, this was taken to mean it was to do with a similar concept. Each 'concept' was then appropriately coded by reference to the emerging node set. Each node had a unique identifier held within the QDAS package, enabling linkages between concepts and also supportive memos to be established. Where strong similarities between *concepts* were detected, this was taken as an indicator that a more abstract class might exist that subsumes some lower level concepts. That is, some concepts were seen to be special examples of a more general entity.

(iii)   As the name implies, Open Coding is unrestricted in the way
          concepts are developed. Concepts can be stand-alone, or
          structured in a common group. The advantage of using a
          completely 'flat' configuration is that the researcher does not
          imply a predefined pattern, or bias to the results, allowing the
          data to truly guide the coding. However, creation of a
          hierarchical structure is very helpful for the next stage of theory
          development - axial coding.' The author chose the latter
          strategy, because of inexperience with coding and the
          assurance and conceptual clarity afforded by a structure.

          The initial node structure (Appendix 'D1') was constructed from
          the data acquired from the first set of interviews, based upon
          purposive sampling topics (Appendix 'B'). Thereafter, the node
          design mutated, as a consequence of 'open' level, theoretical
          sampling, which Locke (*op.cit.* p.83), defines as:

          'Relatively indiscriminate sampling of those existing and new
          persons and places and situations that will provide the best
          opportunities for collecting relevant data.'

3.3.1.2   AnExample ofOpen Coding.

To illustrate the technique, an extract from the first page of a typical
interview transcript, with an internal customer in organization 'B' has
been coded and presented as Figure Two. The text has been
annotated in accordance with the following key:

        Actor   Incident   Concept(s)

                              BOLD   *I*

Figure Two.
An Example of Open Coding.

I think the managers in **ISO see us [labeling (self) 1as their 'customers.'** I'm not sure

how the **staff** might **perceive** us **[labeling (others)l.** For example, for the Y2K project

we **are called 'end users.'** Others in the **ISO call us 'customers;'** some might **call**

us 'those people over the other side of the roundabout.'

 setting expectations/labeling (self)

The name of individual areas **llabeling (others)** within the **ISO** and its role is not very

clear, building problem we have got within [B] is that **we** don't_know **the structure**

of the IT department. **ldesign of service jobs|. We** have got one **help desk** where you

normally go to if you have a problem. The structure behind that isn't that well known

the degree that I have actually **asked for** an organisational structure chart recently.

Intergroup communications operations/ design of service jobs/style of management

They **(ISO)** don't **publicise |promoting[** their structure. **We know who the top person**

is | **relying on others |**in development or computer services but below that **its invisible**

getting respect] to **everybody.** This may be because of the rate of the change that

the **department** has gone through or the change in the management, or, the

takeover, general business factors]. I tend to **know** the people at **senior**

management level, so if I've got a problem **I know who to go to. [relying on others**

I'm sure, **junior managers** and **staff** are totally **confused** by it. **[responding to others**

If assistance needed, ^upporting| the first point of contact should be the help desk. They would then **pass that work out [design of service jobs!** to the appropriate **IT area** and then **they** would **come back** to **us. [responding to others/reciprocity]** You shouldn't need to **know whom to contact [intergroup communications operations** p ut when things go wrong and you have to think 'to whom do **I go to here?' petting expectations of others].** It should be back to the **help desk** for them **to escalate** it. **Iservice decision making]** If **everyone** used the process as it was designed to be used **petting expectations of othersl** it would work very well **meeting expectations/reviewing outcomes**

Although **we get the documentation [packaging** |with the latest release of the software as for one-to-one **training we** don't get that. Sometimes it seems to be loaded into your PC and then its **down to you,** as an individual to learn it. I think that if anything new is **delivered Resigning** [to an **individual** they should be **shown** how to use it. **[supporting!. I think** as far as what is provided by **office services, training is an issue, [creating expectations of others/reviewing outcomes/packaging**

It is debatable whether the appearance and behaviour of **ISO staff** always **conveys a favourable image, limage of others/labeling (others)** Nine times out often, 'yes:' where **they** are **letting themselves down** at the moment, and again I can only **look** at it from my point of view, **[meeting expectationslare** network problems and when **we report** problems to the help desk, **lintergroup communications operations.] We've outsourced** that service, **general business factors** T he quality of some of the **work done** in that area is variable. **lmeeting expectations!** The appearance of some of the people is good and others not so good, **[image of others**

3.3.1.3   Open Coding – Some Experiences.

(i)   Kelle (*op.cit.*) advises that concepts should be both unambiguous in meaning and mutually exclusive. The author found that this admirable principle is not so easy to apply, since the concept had not always been fully characterised, to the extent that a judgement could be made about the uniqueness, of otherwise, of a concept. The author is more in agreement with Martin and Turner (*op.cit* p.147), who recommend recording incidents in the data under more than one concept, to allow flexibility in the process. They make this suggestion because there is constant change during the iteration between the data and concepts. Accordingly, they suggest a researcher should attempt to:

'Seek to generate as many [concepts] as possible, not worrying what the relevance of those [concepts] might be to their intended goal.'

The author found it better to code the text element in the richest way possible, so that an element should be linked to as many relevant codes as possible, see Figure Two for examples. As the coding proceeded, there was a noticeable learning curve with assigning data to the relevant code. This was particularly so at the beginning, when the code structure was growing and changing rapidly.

(ii)   The author, therefore, did not impose a limitation on the number of concepts: often it was just not clear what the concept fully represented. For example, the idea of 'progress reporting' occurred in the data and so did discussion of the jargon used by some IS professionals. Both themes appeared, on the surface, to be to do with communication. However, closer inspection showed it would be wrong to group them within the same concept. Further examples suggested these incidents were about different things: developing knowledge and affective (emotional) basis for expectations, respectively.

However, a problem with this strategy of unconstrained coding is that unbridled enthusiasm for the creation of concepts means it's all too easy with QDAS to create a long list of codes. This concept structure can become redundant, unwieldy and in the end quite confusing. For this research, the number of concepts grew rapidly during the first part of the interviewing exercise, until around three dozen had been identified. The last few interviews added only a few extra concepts, concerning assurance and empathy. This type of 'law of diminishing' effect until saturation was achieved (Paragraph 2.4.1.2ii). The initial version of the node structure is shown in Appendix 'D1. When all the primary data had been coded, the node structure represented a mixture of processes, perceptions, attitudes and the contexts for the development of these qualities (Appendix 'D2'). Of course, the doubt in the mind of the author was, had all the concepts been discovered? The rate of change to the nodes indicated this was so but the decision was made to leave the door open for additional interviews. Each concept was considered a candidate 'category', to be elaborated through the next stage of coding.

3.3.2 Stage Two - Axial Coding.

Axial coding was the next and, in the author's experience, the most time-consuming, arduous and complex stage of grounded theory development. It is a highly iterative process that involves the researcher continuously switching between inductive and deductive modes of thinking. The purpose of axial codes is to identify abstract entities, termed 'categories' by Strauss and Corbin (*op.cit.* p 114). Whereas Open Coding breaks down the data into concepts, axial coding integrates the data together in new ways, by refining the concepts and by making connections between them. There were two steps in the development of the axial categories. Each step was repeated at many times before the author was satisfied that the complete meaning of the data had been found.

Axial Coding Step One – Identification of Categories.

(i)   The Task and the Methods Used.

Category synthesis was achieved by comparing and contrasting each concept against another. Concepts that appear to pertain to the same phenomenon were grouped together as 'categories.' Martin & Turner (*op.cit.* p.150) suggest:

'Categories should be defined early on but Glaser opposes this since he considers definition inhibits the free flowing and dynamic creativity of the concept building stage.'

The two researchers further argue that prototypical categories help to test the plausibility and 'rightness' of abstract ideas, as coding proceeds. In line with this suggestion, the author felt that if a draft definition of a category could not constructed, the category probably did not exist. Having said that, a complete and plausible description of the category can only be developed when concept stability had been achieved.   When this point was reached, candidate categories can be characterised in terms of their 'properties' and 'dimensions.' Strauss and Corbin (*op. cit.* p 101) provide the following definitions for these:

- Properties: 'the characteristics of a category, the delineation of which defines and gives it meaning.'
- Dimensions: 'the range along which general properties of a category vary, giving specification to a category and variation to the theory.'

Properties were sought by looking for adjectives and adverbs, which qualify the occurrence of a concept. As mentioned above, memos were also used to support this process of raising the concepts to a higher level of abstraction, to form the prototype categories.

For each concept a memo was written. This provided a working definition of the concept and outlined what the author thought the category contributed toward the ISO-business relationship. Where definitions were congruent, this was taken as sign that the individual concepts might be aspects of a higher order grouping: a category. This tentative conclusion was confirmed or rejected by comparing concept properties.

An example of how the first stage of integration was completed is shown below. Figure Three shows the use of coding memos and Figure Four, property specifications (red highlight) created for the concepts, 'promoting', 'respect' and 'image' by inspection of the concept attributes (yellow highlight). A single specification is seen to cover the three concepts and together with the evidence from the coding memos. implies a category, 'credibility', which includes the three concepts.

Figure Three.
Concept Consolidation Using Memos – an Example.

Coding Memo: Promoting the ISO with Customers.

- It is a special <u>communication</u> that affects what the ISO is saying about itself; its capability and likely performance and helps to define <u>expectations</u>.
- <u>Communication</u> and effects are interrelated. Together, with the <u>quality</u> of the service and artifacts will help shape the <u>image</u> in the mind of the internal customer.
- The need to <u>promote</u> services and thus to improve the <u>reputation</u> of the ISO or workgroup arises from the impact of failed, or at least, <u>unsuccessful</u> IT services that may stem from disappointed, albeit false <u>expectations.</u>

Coding Memo: Getting Respect of the Others in the Relationship.

- Is the manifestation of what the internal customers believe about the ISO. The sort of <u>qualities they approve of</u> and must be derived from what they actually get out of the service and how it is done.

- <u>Respect</u> is not built quickly but comes from both success and also how failure is handled and services recovered. <u>Respect</u> is two ways, since the ISO itself develops respect for certain customers as well!

- The difficulty for both parties is that they have <u>expectations</u> of themselves as well as others and with many IT service activities it is difficult to say <u>(make a judgement)</u> of what has been given is truly been provided and accepted is what was <u>expected</u>.

- <u>Respect</u> is developed and is likely to be typified by an individual's actions within a specific <u>service event</u> or encounter. Respect will vary; maybe depending an employee's job.

Coding Memo: Images and Impressions of Others in the Relationship.

- Impressions and <u>images</u> are formed from cues – physical and conversations and are impacted by <u>attitudes</u> <u>and biases</u>. Much evidence of this is found in the data.

- Not clear how much impressions say about the IS professionals capability to do the job and whether or not it is more to do with the <u>expectation</u> not of the service itself but of the person.

- Are the signs and symbols of service to do with the ISO or more general cultural aspects? Therefore should be considered part of the <u>internal environment?</u>

- Managers also have an important role in developing and creating <u>images</u>. These are likely to play a role in 'leading' the <u>development and implementation of a service</u>.
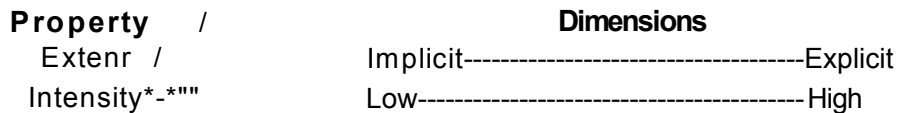
Figure Four.
Concept Consolidation Using Properties -an Example.

Promoting the ISO with Customers.

*"Although we all agree that IT should get closer to the business, I know that last year there was some problem with an |individual| initiative from IT to do this very thing. Because it was something that was r/bt particularly \yelh **promoted** or 'sold' up front."*

*I suppose that sometimes we feel/envious of ʈpdm because we see how we!\ they **promote** their services. Things ʲiKe posters/doted around. You see wbeffthey implement something they **celpbrate** it.ysuppose IT has alwgy&lfeen a little "stick in the mud."*

Property /	Dimensions
Extenr /	Implicit-----------------------------------Explicit
Intensity*-*""	Low--High

Getting Respect of Others in the Relationship.

*"We have a \way to go| with developing relationships. Damage can be caused by 'bad-mouthing' IS in front of customers, not least because that person is an ambassador for IS. Parts of rS should not be in conflict. We must stop it because we need to **respect** each other."*

*"Yes, he looks after all the technical side but he   also)well\ **respected** in Finance because he gets\things done and makes   ■eerj as a pa of the Finance team and an extension to   the past when this wasn't the case."*

roperties	Dimensions
^Extent /	Specific-----------------------------------General
Intensity *	Low-------------------------------------- High
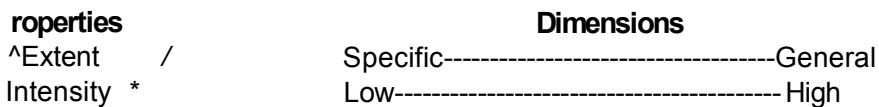
Images and Impressions of Others in the Relationship.

*"So after years and years they still do it. The impression IS gives is a little fragmented when it comes to an **image** of team-working. "*

*"I thinkJts more of... we have to give ourselves a \good **image** out there. At the ehd of the day we are providing a servic^io these customers. It's not so much a market but a situation where we must have the |right| **image***

roperties /	Dimensions
Extent	Specific-----------------------------------General
Intensity*"^	Low-- High
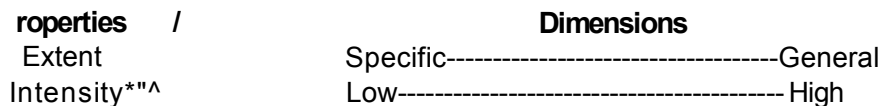
(ii)   Strategy and Outcomes.

Appendix 'D2' lists thirty-three concepts, identified using methods discussed above that lead to the development of the categories listed in Appendix 'D3'. Some of the concepts were not integrated with others because they were found to be truly separate but were just renamed, consequent upon the definitions and ideas articulated in a coding memo. The strategy adopted for moving from the concepts to categories was to take a 'bottom up' approach, by tackling the less generic concepts first. This was done because the author thought it was more likely that these concepts would subsume others and the experience gained from coding of limited concepts would help with the more complicated ones.

3.3.2.2   Axial Coding Step Two– Refinement of Categories.

(i)   The Task and the Methods Used.

The elaboration of the candidate categories was achieved by using the 'Coding Paradigm', devised by Strauss and Corbin (1990 p. 96-115). This way of thinking helps the researcher to map associations between the phenomenon, a specific category and all other categories, which are designated sub-categories of that phenomenon. The paradigm classifies categories into one of six stereotypes:

- causal conditions
- the phenomenon
- context for the causation
- intervening conditions for action strategies
- action strategies
- consequences (intended or otherwise)

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The outcome(s) of a particular category might be the causal conditions for another, or may form the context and conditions for other categories. In order to fully elaborate these linkages between the phenomenon and categories, as many different text elements as possible are coded to the candidate category. An example of category development is presented overleaf as Figure Five. This shows a selection of informant views concerning the credibility (of the other party) drawn from each of the sample sites specified in Table Four. The meaning of the data, as interpreted through the application of the paradigm, is as follows:

The mutual credibility of the service providers and customers parties forming the ISO-business relationship gradually developments over time, from the satisfaction felt by individual from daily interactions. Credibility contributes toward the cultural and strategic aspects of corporate climate, which in turn, conditions the attitudes of individuals involved with a service. These biases and attributions set expectations for the performance of service tasks. The quality of the task(s) is judged and the outcome of this evaluation is satisfaction or disappointment with the service and thence to a further iteration of the process-outcome cycle.

The data were used to construct a specification of the category (Appendix 'E5'). Inspection of this will show that it includes, in a summary form, the data shown within Figure Five.

The development of all the categories followed a similar pattern, based upon applying the coding paradigm in an iterative way to all the data associated with the appropriate theoretical concepts.

Figure Five.

Using the Axial Coding Paradigm- an Example.

Customer Perspective (Organizations A - E).   **1**

Satisfaction

'Within the total company there is a struggle for IS to gain **credibility.** The biggest gap is with those that see the day to day **impact of system failures and the slowness of the IS to react.'** [A]

"It's debatable whether the appearance and behaviour of IS staff always conveys a favourable **image.** Nine times out often, 'yes!" [B]

"I think that most people would provide anecdotal evidence or opinion that whatever you get from IS **It is late, over budget and underspec."** This   Credibility perception, although unfair in many ways is quite general. The IS department have got to do a tremendous PR job to change the **image** people have of IT organisations. We are all guilty of not publicising our successes." **[C]**

"**I** think that if we **promote** and **explain what we expect** from them **(ISO),** the criteria how its going to be judged at outset that is probably the way to judge their performance." **[D}**

"Money is obviously an important factor. More often, it's about **credibility:** can   **3** they be **seen to have delivered a good service? It's your level of**   Culture* **confidence** level answering the question: 'How well have they done this   Policy** before?'" [E]

Provider Perspective (Organizations A - E).

"I suppose that sometimes we feel envious of them because we see how well they **promote** their services. Things like posters, doted around. You see when they actually implement something they **celebrate it. I suppose IT has**   Understand **always been a little "stick in the mud." *[A]**   -ing

"I also think that it is in the interest of these large consultancy companies to attempt to **discredit** the in-house IT function and to **separate the in-house IT and their partners within the Business."** ** [B]

"It wasn't until nine months later that **Account Management** **was publicly recognised. We took this time period to start building up our **credibility,** without going down the route of announcing, '**we are here to do this and we**   Performing **are going have an plan and these sorts of regular meetings."'** [C]   Evaluating

"Because of the **relative novelty of client/server** often we end up under-specifying things. We find ourselves going back 'cap in hand' to the Business asking for more money to spend on additional hardware. This affects our **credibility** with Business, though often we get round this by saying the '**spec has changed or there is a greater demand than first envisaged."** [D]

"One of the **satisfactions** of this job is that I feel my customers are using me   Satisfaction like an external account manager. In the same way I never saw what went on inside these external suppliers, part of my role for IS is to protect its **professional image** with the internal customers." [El

1 = Causal Conditions   2 = Phenomenon   3 = Context
4 = Intervening Conditions 5 **=** Action/Interaction Strategies   **6 = Consequences**

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(ii)   Strategy and Outcomes.

The approach taken was the converse of that employed for concept creation. Development of the most significant categories, in terms of their coding density, was tackled first. The author reasoned that coding would be more effective if the key categories were refined at first, since these would likely feature as sub-categories throughout the data set. The idea of 'coding families' helped this to be achieved. Coding families are general patterns that can assist the researcher to establish links between a phenomenon and its sub categories (Glaser *op. cit.*). The patterns most frequently encountered are means – end; cause –effect; local conditions - general conditions and temporary – permanent. Stereotyping proved useful, though there is the danger it could be used in an overly prescriptive way. In the example, climate –understanding are general/local and satisfaction-credibility, temporary/permanent, types of association, respectively.

Category refinement was mainly achieved by comparing each informant's ideas, or actions, or views, concerning a similar type of event: such as, the way a complaint about an IT service is dealt with. Another technique used was to track the status of a social actor, at different times in time, within an activity. For example, an internal customer, asking the help desk to change an IT-based service.

The result of coding the data for all the concepts, was the set of category definitions, presented as appendices 'E1' – 'E16'. There are five category super-types: prevailing conditions for the ISO-business relationship, common beliefs of the parties to the relationship, processes underpinning the provision of IT services to internal customers, perceptions and attitudes of the individuals taking part in these processes.

3.3.2.3   Experiences of Axial Coding.

(i)   During the protracted period of data gathering and coding the author had to sustain the belief that meaningful patterns within the data would eventually emerge. The author was quickly disabused of a naïve belief of being able to move rapidly from the completion of the open code concepts to the creation of categories. Although axial coding was completed, the author was quite unprepared for the degree, to which the grounding process became labour-intensive, involving many hundred man-hours of effort. Perhaps, in retrospect, this level of effort was not suprising, because the exercise is one of the continuous alternations between analysis, reflection and theorising. The author was also disappointed that ideas for developing categories are quite vague in most of the literature, including, suprisingly, popular texts like those of Strauss and Corbin. Some practical advice was, however, found in the work of Glaser (*op. cit.*) and the relevant chapters of Lofland and Lofland (*op. cit.*) and Flick (*op.cit.*).

(ii)   Looking back at how coding was undertaken, the author can see that mistakes were made, which resulted in the exercise being more difficult and protracted than it might have been:

(a)   Firstly, by following the principle, mentioned earlier, of coding for 'richness.' Although the result of doing this was likely to have been a more robust grounded theory (because the text element will have been correctly assigned to a concept) this approach led to considerable duplication of elements. The duplication level amounted to almost twenty percent of the total open-coded data. Gradually, redundant data was removed, as iterations were completed and the true home of a data element fully revealed.

(b)   A second problem was the converse of the above. Axial coding can only be undertaken if the open coded text elements are truly at an 'atomic level.' That is, the data elements essentially pertain to a single theme, idea, activity or topic, usually, no bigger than one or two sentences, if that. The author found that because some of the data had not been properly broken down into its constituent parts in the first place. Therefore, some of the Open Coding had to be repeated until the proper level of analysis had been achieved.

(c)   Although probably characteristic of most forms of qualitative inquiry, 'cause' and 'effect' was not always clear, so that disentangling the sub-categories proved more difficult than was thought. Sometimes, it was not apparent whether a phenomenon was a direct consequence of an interaction or a side effect, generated by other factors that were not well described, or even mentioned by an informant. However, this difficulty, although not entirely eliminated, reduced in scale as the author became progressively familiar with the material.

(iii)   In general, the effort to complete the refinement of all the categories was a confirmation of 'Pareto's Law': twenty percent of the categories took eighty percent of the time and *vice versa*. In particular, the elaboration of the contextual categories, 'climate' and 'understanding' needed many cycles through the data. The former category required much work to find the abstract ideas about the organizational environment for an internal customer-provider relationship. This was because external and internal factors had been conflated within the original open coding concepts but were really separate entities. The category 'understanding' also presented a significant challenge. This was due to the complexity of identifying the basis for the expectations, biases and attributions of individuals interacting within a service activity.

Mutual communication-based awareness (understanding) was originally thought by the author to embrace different categories, such as communicating internally, externally, horizontally and vertically. Further analysis concluded that distinct exchanges were indeed taking place but what was important was the *type* of exchange: information, influence etc and not its reach or range.

(iv)   In conclusion, the author feels that the key challenge of axial coding is about creating a real sense of what the data is really portraying. It is one example of the 'theoretical sensitivity' that grounded theory writers extol as the key to gaining a full comprehension of the research domain. Development of theoretical sensitivity is a subtle, quite gradual process. Indeed, the author was only aware of its development in a retrospective way, during the transition from axial to the next, 'selective coding' stage of grounding. It was also the experience of the author that effort is needed to move on, taking the next step toward the development of the grounded theory: 'analysis paralysis' syndrome, is a danger for this and most other forms of intellectual enterprise. Having said that, axial coding *was* successfully completed, to the extent that each category could then be evaluated in terms of its implication for the grounded theory, as discussed next.

3.3.3   Stage Three – Selective Coding.

The aim of selective coding is to link together individual categories and to complete detail missing from a category specification. According to Strauss and Corbin (*op.cit.* p.144) it is here that the emphasis of the research changes from description, to an explanation of the phenomenon: the 'why', rather than the 'what' of the data. This Section summarises the key aspects of selective coding. A more detailed discussion has been deferred to Part Five of the thesis, which is the point within theory development where the integration of categories was actually carried out.

(i)   Tasks and Methods.

(a)   Selective Coding is based upon the principle that not all categories are equally relevant or significant for the theory. The category that seems to have the greatest explanatory power (usually appearing most frequently within the data and yet also abstract in nature) is designated the 'core' category. In this sense, the core is the category around which, all the other categories revolve. For this study the central phenomenon had already been established as: *the relationship between the internal service customer and provider.* Therefore, the objective, for this study was to link all the axial categories to the development of this relationship.

(b)   Although selective coding can be subdivided into a number of steps, unlike axial coding there is no paradigm as such; it is essentially an intellectual exercise. Strauss and Corbin (*op cit.* pp. 143ff) suggest selective coding may be accomplished through the writing up of a story-line, the reviewing and sorting of memos, or the use of diagrams. A more detailed discussion of the methods employed is given in Section 5.1.1 but in essence, matrices were used as the main tool to support the category association. Matrices helped with theory development by integrating the categories, 'bottom up' and also enabling a holistic appreciation to be gained of the emerging theory. One type of matrix used was the 'conditional' form (Strauss and Corbin 1990 pp 158*ff*) to support structuring of a conditional hierarchy of categories. The matrix helped to link the microenvironment, i.e. the individual's psychosocial situation, to the more general domains of the organizational and business climate. 'Causal' matrices were also employed to join actions to outcomes, within the different layers identified in the conditional matrix.

(ii)   Coding Strategy and Outcomes.

Within this coding stage, a decision had to be made about what task to do first. The author took the view that the first step toward the integration was to review the categories for redundancy. The properties of each category were compared with each and every other category. The idea is to see how a category might be as a particular aspect or specific form of another category. When confidence had been established that the categories had been normalised, then a bottom-up procedure was carried out to associate and the categories into higher level social systems. Sub-models for the work group and individual domains and a full, graphical representation of the grounded theory, are provided in Part Five of the thesis

(iii)   The Author's Experience of Selective Coding.

The author found selective coding both similar and different to axial coding. It is similar, in that the process is iterative and may be entered at any point in the cycle. It is also quite different, because it does not focus on the categories themselves but concentrates upon linkages and associations between the categories. It is at this point in the grounding process that the effort put into the earlier stages of coding really starts to pay dividends. As mentioned in Section 3.3.2, the author found the protracted exercise of isolating the categories began to lead to the problem of not seeing 'the wood for the trees.' There is a danger that the researcher can lose the idea of what the categories represent. In contrast, selective coding enabled the author to step back and develop an overview of the phenomenon.

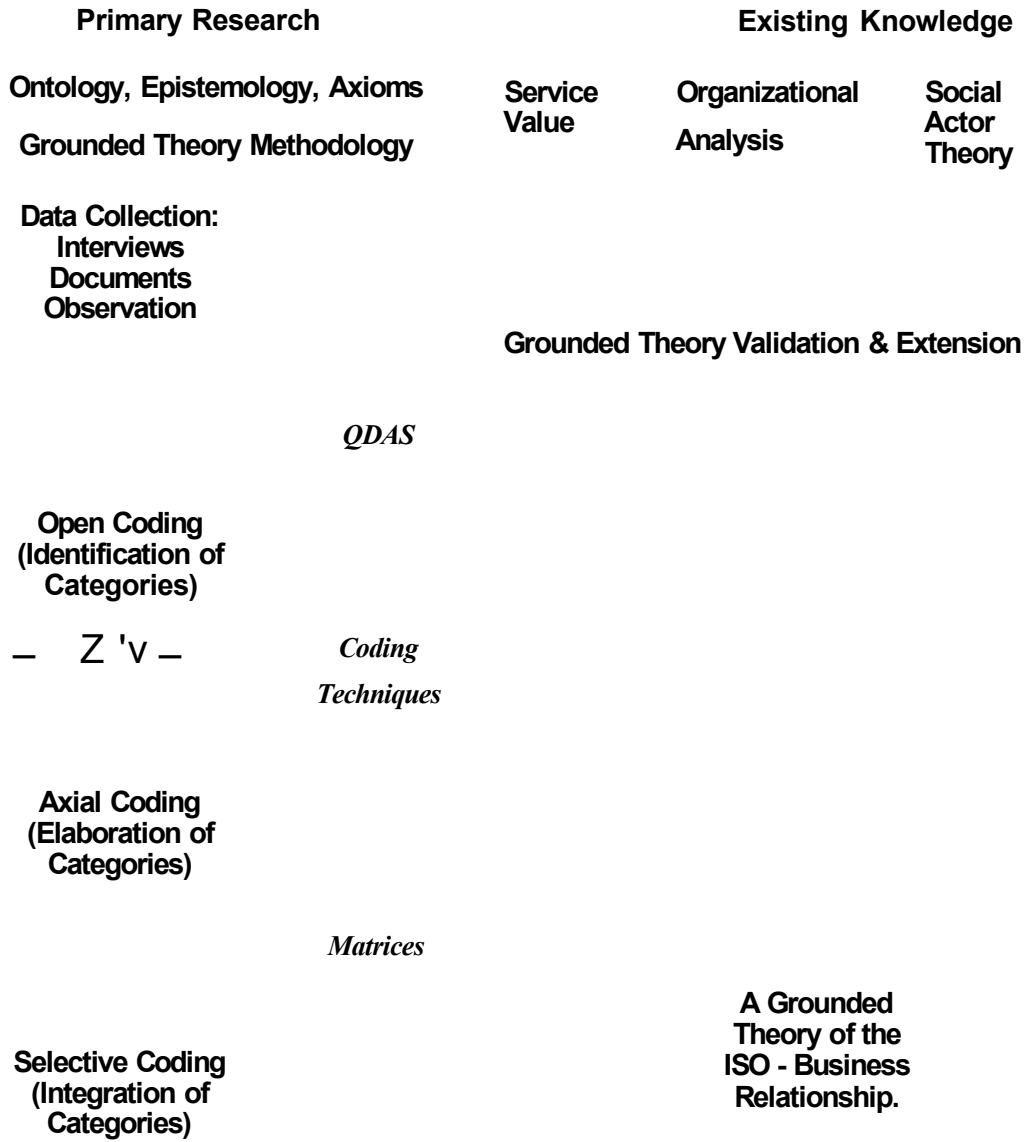**Implementation of the Research Strategy – a Summary.**

- Primary data was acquired in accordance with the research strategy discussed in Part Two. A plan was implemented to ensure that the data captured would enable the grounded theory to be both reliable and plausible. A software package was used for managing the primary material and to support theoretical coding as the data analysis method.

- The first stage of grounding was implemented through opening coding, whereby commonly occurring themes (concepts) were identified within the data. The second phase of analysis was axial coding. Here concepts were progressively grouped into higher orders of abstraction, called categories. Use of category property definitions, together with coding notes (memos) and a coding model enabled the categories to be fully elaborated. The final stage of the grounding process (selective coding) enabled all the categories to be integrated to form the grounded theory. Several forms of matrices were used to achieve this integration.

- The practical process of grounding, through the three stages of coding, is unevenly supported within the literature. Furthermore, there can be motivational problems with theory development, since coding can be very time- consuming and involve periods of uncertainty for the researcher.

A schematic of the research strategy and its implementation is shown as Figure Six. This depicts how the choice of grounded theory as the research methodology was founded upon the nature of the knowledge domains, the research question and the author's research position. The diagram also shows how grounding was accomplished, to produce research outcomes that are, potentially, able to contribute to the original knowledge domains.

In the next Part of the thesis, each category is discussed in terms of its meaning and relevance for the ISO-business relationship. Examples drawn from the empirical data have been used to evidence the conclusions reached.

Figure Six.
A Schematic of the Research Strategy Implementation.

Primary Research   **Existing Knowledge**

Ontology, Epistemology, Axioms   **Service   Organizational   Social
                                                   Value   Analysis   Actor
Grounded Theory Methodology   Theory**

**Data Collection:
Interviews
Documents
Observation**
                                                    Grounded Theory Validation & Extension

                              QDAS

**Open Coding
(Identification of
Categories)**

—   Z 'v —   *Coding

                               Techniques*

**Axial Coding
(Elaboration of
Categories)**

                              Matrices

                                                              **A Grounded
                                                              Theory of the
**Selective Coding   ISO - Business
(Integration of   Relationship.**
Categories)**

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PART FOUR -

CUSTOMER-PROVIDER

RELATIONSHIP DEFINITION

PART FOUR: CUSTOMER-PROVIDER RELATIONSHIP DEFINITION.

The way concepts emerged from empirical data and were then synthesised into abstract categories has been explained in the preceding part of the thesis. Part Four follows on from the explanation of that process, by examining in detail the outcome of axial coding, in terms of the part played by each category in the development of the phenomenon. The structure of the exposition is shown in Table Nine. It will be seen that the categories fall into several classes: processes, states and conditions. To assist clarity, discussion of the state categories has been divided into three sub-groups: personal attitudes, perceptions and beliefs. The categories are presented alphabetically within the appropriate chapter as follows:

(i)   Firstly, a reference is made to the relevant part of the Appendix 'E', which provides the category specification.

(ii)   Examples of primary data are given (italicised) from whence the categories have been derived. Since space limitations preclude showing all data captured, excerpts have been chosen that best illustrate the nature of the category, together with the author's interpretation of its meaning for the ISO-business relationship.

(iii)   The discussion of each category has been divided into two Sections. Firstly, there are instances drawn from the normal cases. The second Section presents examples from the divergent case, which may confirm, or contradict the normal situation. Each statement has been annotated with a code, to indicate the perspective of the informant. The subscripts refer to the organizations, designated 'A' to 'E', shown in Table Five:

Source	Customer	Provider
Normal	C_{A-D}	P_{A-D}
Divergent	C_E	P_E

Table Nine.
A Summary of Axial Categories.

Category	Section	Type	Definition
Understanding	4.1.1	Attitude	The basis for the expectations, biases and attributions made by an individual about self and others.
Credibility	4.2.1	Belief	The conviction of a party that an agreed role will be performed by the other party to the relationship.
Dependence	4.2.2	Belief	The conviction of a party that their performance is contingent upon the resources deployed by the other party to the relationship.
Trustworthiness	4.2.3	Belief	The conviction of a party that they can be vulnerable to the behaviours of the other party to the relationship.
Climate	4.3.1	Context	The prevailing organizational environment for an internal customer-provider relationship.
Commitment	4.4.1	Perception	A feeling of an individual that others are willing to deploy resources to realize the goals of a service.
Focus	4.4.2	Perception	A feeling of an individual that others share similar goals for a service.
Satisfaction	4.4.3	Perception	A feeling of an individual that others have fulfilled the goals of a service.
Agreeing	4.5.1	Process	The identification by an individual of the goals for a service.
Assigning	4.5.2	Process	The division for an individual between the authority, accountability and responsibility of a service role.
Envisioning	4.5.3	Process	The offering by an individual of a creative, imaginative or inspirational idea for a service.
Evaluating	4.5.4	Process	The judgement by an individual about the performance of a service.
Participating	4.5.5	Process	The integration by an individual of the physical resources, knowledge and finance necessary to create or change the design of a service.
Performing	4.5.6	Process	The use by an individual of physical resources, knowledge and financial resources to deliver the benefits of a service.
Prioritizing	4.5.7	Process	The identification by an individual of the relative importance of a service.
Promising	4.5.8	Process	The provision by an individual of assurances about the performance of a service.

4.1   Attitudes of Individuals.

Attitudes are the traits that condition the way a person responds or reacts, in a more or less predictable way, when an event happens, or when communicating with others. There are of course, many different attitudes that an individual adopts but within the domain of the working relationship, it is expectations that are of particular significance. It is posited from the data that these attitudes are generated, refreshed and reinforced from the multiple and in some cases, repeated, series of routine and ad-hoc customer-provider service activities, associated with a working relationship.

4.1.1   Understanding (Appendix E16).

There is just the one category within this set that is the individual's frame of reference for interactions with other individuals. Here, 'understanding' has not been used to mean a process but as an abstract noun, to designate a state of mind that reflects awareness of self and others.

Normal Cases.

"You've got to have the right attitude; you've got to think 'service.' You can provide technical excellence but you may be the only one who is happy." [P$_C$]

"IS might turn round and say that we also include training; it's the users that try curtailing it. Users might take this attitude because that if you've got people out training they are not answering the phones or doing everything else." [C$_A$]

An individual builds an understanding of what has happened, such as an operational failure or the design of a system, through ascribing particular motivations or agendas to others involved in an activity. These activities take place in a general context for the relationship, set by organizational climate and culture. The key attitude is the individual's expectations. These can take the form of an unarticulated presumption of future actions or a formal statement of intent, like a service level agreement or project charter:

'Unless I understand what their business is about; how can I help them?' [P$_C$]

Expectations are founded upon and developed from, an amalgam of informational, influential and emotional perspectives. Each perspective frames a different type of expectation and these are discussed below.

4.1.1.1 Knowledge-Based Expectations.

"I think customer expectations about our services are fundamental to the management of those services. You have to make sure that your customers know what they can expect. " [P$_A$]

"It keeps coming back to this idea of partnership. We don't know enough about each other." [P$_B$]

The most obvious channel for building an understanding is through the mutual acquisition of knowledge. Communication of information should lead to knowledge that (supposedly) supports dispassionate and rational decision-making. Apart from the right environment to enable knowledge to be created, the development of understanding would seem to depend upon the type of . information shared and the efficacy of the communication method:

"The role of IT should be to manage technical constraints and to inform and educate the Business as to what those technical constraints mean for them." [P$_C$]

Knowledge is needed not just at operational level with detailed descriptions of procedures and task but should also include explanations of job boundaries, processes and strategic plans. These are all important for a service:

"Customers don't always foresee the full implications of what they are asking for. They view things from their particular department as being the only one affected or involved and they don't understand the bigger picture." [P$_D$]

"At the moment I think there is a problem because the IT organization is perceived to be too fragmented. The effect is that business people do not necessarily know whom they are talking to and even within IT, people don't always know who is doing what, because of this complexity" [C$_C$]

"The business commissioned studies, they bought into projects, they understood the IT architecture. So IS had a Board of Directors who understood what we were about and what we were trying to do." [P_B]

There is a difference between customers and providers with regard to what should be communicated. This variation may be a sampling effect but could also be genuinely indicative of a knowledge imbalance:

"People could be given more opportunity to learn about the way each part of the organization works. I suppose I'm talking about 'day trips', in the sense of an educational exercise. These could help IT understand what goes on in the business and for the business understand the constraints on IT." [P_C]

"I have to say the relationship has improved. We have made great efforts to improve and the jargon has reduced. There is a tendency now that if we don't understand them we say so!" [C_D]

Internal customers expect in-house IT professionals to understand the intricacies and details of business needs. Some users see that the rest of business must also appreciate the constraints upon the ISO:

"We now have a better understanding of some of the problems of IT. It's an interesting concept that if you have knowledge of other peoples' problems and capabilities, you are able to react better than if you don't spend the time trying to get this understanding." [C_C]

Some IT staff hold the view that the reasonableness of an expectation is correlated with the customer's knowledge about the service task to be performed. Therefore, it is in the interest of the ISO to devote resources to building knowledge, since this helps expectations to be managed:

"What Top Management need to know, for example, is if you started selling products on the Web what is the experience of other companies? They need awareness of the capability of IT; not the detail." [P_D]

"I think we are reasonable at communicating ideas to the business. It's probably stratified. Everyone thinks they understand but clearly it takes a certain perspective and maturity, to really have an understanding of what we are here to do." [P_A]

However, for one customer, ignorance is valued! This may be an indicator that the customers really don't care what the IS staff are doing for them:

"With regard to what is involved with satisfying the request I have had made, sometimes IS tell me and, to be fair sometimes, I don't want to know!" [C_D]

False expectations can develop from poor or misleading information. These expectations then become a source of irritation and may, eventually become a challenge to the health of the relationship itself:

"Our customers could say: "Oh give the others a go they can't be any worse!" They might say this because we haven't set their expectations right." [P_C]

For the ISO, there is the added problem of dealing with customer expectations that originate from external sources:

"Now that many people have their own PCs you often do get the question: 'Why does it take two weeks to get this computer installed? I can go down the road, get it more cheaply and install it myself!' They think systems are not living up to expectations without really knowing enough about them." [P_A]

"If the product does not live up to the expectations established by the vendor it is us that have to live with the consequences of this." [P_B]

"Our customers don't know how dire the situation is out their and some of the things we do as a matter of course. Such as, mainframe availability is phenomenal." [P_C]

"False expectations are not from what has been said by us but they mainly arise from external sources." "[P_D]

The ISO has, therefore, to incorporate a complex amalgam of educational needs, expectations and performance assessments into their planning for meeting future customer demands:

"If the customer has a little knowledge (of IS/IT) this can be dangerous but if they have no knowledge at all is this even more dangerous?" [P$_B$]

"The consequence of exceeding expectations is that you might end up costing the customer more money." [P$_A$]

Divergent Case.

The important of awareness and the challenge of managing expectations is equally true for the divergent case as the normal sample:

"Don't get me wrong, we rely on IS to give us competitive advantage, perhaps our expectations have been raised and maybe we need to manage our own expectations of service." [C$_E$]

"IS people need more exposure to the business to understand our priorities and deadlines." [C$_E$]

The size and scale of the operations means, however, that the management of the customer relationship needs to be structured in a way that perhaps more clearly recognises the dynamics of an 'internal market':

I am promoting the idea that the holders or sponsors the service contract (or SLA) are identified as the 'client.' This is a named individual in organisations that we work with. Everyone else, who uses our services or requires our services, is a 'customer.'" [P$_E$]

It appears that the divergent case, as the largest and most complex organization in the sample, is indeed, more aware than the other companies, of the importance of customer understanding for successful operation of service processes:

"IS people need more exposure to the business to understand our priorities and deadlines. We tried to expose them to that through these regular meetings and an induction programme to give the business perspective." [C$_E$]

"So there is a big push on now to improve the provision of information about IT service quality. The downside to giving customers all this information is that it generates so many questions." [P$_E$]

'We decided the best approach is to take people off the 'shop floor' and then train them up. They had the business background; they can talk the same language. When they go out they know what people were talking about.' [P$_E$]

A problem of organizational size and complexity is that it may be difficult for an individual IS professional, or a particular team, to gain the requisite knowledge of the business:

"From my perspective, service is person dependent. It tends to be all down to attitude - it's not easy to define. It's about listening, understanding the business, and being proactive." [P$_E$]

"We are a big organisation and do different things in different areas of the business. It is that inconsistency by certain individuals that is a problem." [P$_E$]

4.1.1.2   Emotion-Based Expectations.

Feelings play a very important part in expectations. Individuals give emotional meaning to the ongoing relationship, from subjective impressions generated from day to day social encounters. Emotional positions are most visibly seen in the language used people to identify behavioural expectations of themselves and others. The words, 'like' and 'dislike' feature prominently:

Normal Cases.

"I slip into using the term 'user' occasionally but usually when we are not talking about people but about a system. The term is employed when we just mean those who actually uses the system in a generic sense - then it's meaningful." [P$_A$]

"They are not just customers but as friends and colleagues as well. " [P$_B$]

"I use the word 'customer', because that is what they are. They are paying for the service and we are providing them with the service." [P$_C$]

"We used to call them 'end-users' but I think this name alienated them. Calling them this indicates that you are not too bothered about them." [P$_D$]

Customer views about the attitudes and behaviours of individual IS professionals affects the translation of outcomes from particular encounters and incidents, into more deeply held and enduring beliefs about the relationship itself:

"They are like most technicians, not just systems professionals, who guard their knowledge: it's the only thing that matters to them." [C$_A$]

" It's 'colleagues' or 'other departments.' I don't like the term 'customer.' because that gives me the impression of no strong relationship and we are all part of the same company. I think it's a divorce statement!" [C$_B$]

"There is a general perception of IT staff that they are overpaid and elitist." [C$_C$]

"I would say that the quality of communication between IS and us is improving. I find it difficult to get on with someone i don't like or respect." [C$_D$]

There is insufficient data to define all the affective elements influencing the performance of a service role. The incomplete evidence, suggests that the past experiences of an individual appear to impact upon the degree of empathy shown to others:

"If I put myself in their shoes. I would like to think of myself as a customer if I was on the other end. "[P$_B$]

"As much as possible we try to get our own people to visit customers, rather than representatives external providers. This chain of involvement can cause difficulties with a few customers - the more senior the customer the less the understanding or sympathy with our service issues!" [P$_D$]

Emotion-based awareness also conditions a person's view of himself or herself:

'Our cultural change programme means taking a different attitude. It's a realisation that every thing they do they are doing for the customer – not themselves.' [P$_C$]

"I don't think they, (the customers), know that I am from LAN support. They are just interested that he is here for fixing my machine with a problem. I am just another face looking at their PC if they have a problem." [P$_D$]

"Some people see the IS people going on conferences and seminars away from the office and think it's a 'freebie.' They don't seem to realize there is a sacrifice of personal sacrifice of time and energy needed to go to some of these places." [P$_D$]

"The really difficult thing that IS finds to say is' no.'" [P$_B$]

A continuing problem for the ISO is that even knowledge-based understanding will be coloured by mental constructions, derived from prejudice and personal experiences. Selectivity (i.e. ignoring what you don't want to hear because it appears to be in conflict with existing values or norms of behaviour) can be a potent influence upon the extent to which emotional expectations will contradict rational attempts to build a relationship. The ISO therefore, as the service provider, must also try to manage these affective causes of negative attributions:

"They (the IS department) have the same guidelines as the rest of us but I think that like many deeply technical areas you get the 'weirdoes.' They dress as they feel like and if they have that sort of job they get away with it. I suspect that there is probably considerably less than you think – but you just notice it!" [C$_C$]

"The impression that I get about some IS people that they are not fully aware of the bigger picture and what we as an organization are trying to achieve. Some are insular; I call it narrow-minded: "this is the way we are going to do it and the business has to get round it." [C$_A$]

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These attributions, derived from emotional understanding, can be forces for undermining confidence and even breeding hostility between individuals:

"I think there are some distorted perceptions of IS. Specifically, "they are a bunch of overpaid, prima donnas. Some look at it and say: 'yes, we pay IT staff too much.' Bonuses for Y2K haven't helped with this I suppose that people remember the few and treat that as the common behaviour of the many. [C_C]

"In the past though, these R & D budgets were seen as the way that the IT departments were able to enjoy themselves. Although you perhaps need to attend these events to keep ahead, there is still a perception of these as 'jollies.' " [P_C]

Divergent Case.

The most common form of expectation is the customer's anticipation of the service provider's actions and behaviours:

"I would like to think that we manage expectations by exceeding the customer's expectations of us." [P_E]

A personal view can be based on knowledge but similar to the normal cases, examples of emotional bias are also encountered within the divergent case:

"I think IT attracts those personalities that like to work within defined boundaries. They like facts and have difficulty in dealing with ambiguity, or vagueness." [C_E]

The evidence from the divergent case confirms the importance of self-expectations. In particular, what individuals imagine others may think of them:

"For our people in the IS department, they think in terms such as I have been working on this for x days and this has cost the company £y. So although you are doing the same thing, the worth that you feel is different, although you might have generated profit for the IT organization." [P_E]

"As a IS project person your raison d'être is to give service and to be seen to be giving service. To admit, in a fairly forceful way, that it is not doable, has a tag of 'failure' attached to it is a hard one to get over. How do you differentiate between focus and failure?" "[P_E]

"We may have expectations of ourselves that can be quite false but you don't get any thanks if you reply to the customer: 'Let me have a week to think about it.' "[P_E]

Again, the negative consequences of size and complexity impacts upon the creation of expectations and interpretations of behaviours. The theme of a 'face' is an obvious metaphor for humanising the intimidating affect of dealing with large organizations, which are imagined as machines:

"I like to think (and some of the business still see me) as one of 'them.' it's very helpful for some of the things that we are striving for that I am seen as one of them." [P_E]

"I'm amused by being introduced as the, 'human face of IS.' This is interesting about what they are thinking about me and about the ISO as a department of the company. I was happy about that description and also a little sad. There are almost three thousand people in the IT Division; so why can't we all be 'human faces?'" [P_E]

Finally, a problem for the divergent organization (based near to London) is that constant change to ISO personnel has left some internal customers in a state of uncertainty: their expectations have become unstable:

"One of the problems we have at the moment is that we are suffering because of a large turnover of staff within IS....these (new) people don't have the background knowledge and understand the whole picture." [C_E]

4.1.1.3   Power-Based Expectations.

The third form of understanding is one where individuals develop expectations by ascribing 'political' motives to the actions of others. This form of understanding is implemented through the influence as the social modality:

Normal Cases.

Power-based expectations affect how people see their own roles and responsibilities and those of others within the relationship:

"A problem of exploring the political mode is that the interest is always with the other party to the relationship – they are the ones responsible for the problems!" [P_B]

'I think you can never hide the fact there are 'politics' in every company. The other thing you've got to do is to make sure that you develop a team framework. It's not just the programme manager, it's the whole company culture.' [C$_B$]

Here, 'politics' is not employed here in a pejorative sense. It is a term used to incorporate into one word, the balance of informal power. This arises from the implicit or hidden negotiations of individuals about control, authority, influence, responsibilities and accountabilities within a service dynamic:

"The devolution of power must tie in with accessibility of relevant information and the means to communicate that information. In some areas this happens but I suspect it is constrained by complexity. That is, there is a level below which you cannot devolve power, because you need to know about so many things that are going on that might effect the task in hand." [P$_A$]

'Internal politics does play some part in influencing the relationship with have with our customers. One example of how this effects things the desktop/LAN support area is that the previous organizational structure we used to be able to tell the business when there was going to be an outage - we had to do some maintenance work. That's now completely changed around on itself!' [P$_A$]

"So there's a lot of politics in this job, trying to persuade people to buy in to what's wanted. "[P$_D$]

An apparent cause for the existence of a political dimension to the development of expectations is the pervasiveness of factionalism: being, apparently, an 'inevitable' consequence of organizational culture and structure. The importance of this issue is recognised by many informants within *all* the sample organizations:

"Going back, not too long ago, I would have said that internal politics coloured the relationship between IS and us. In any organizations there will always be some politics but I believe that the way we now manage the business, through an integrated business plan has reduced these politics." [C$_B$]

Like the emotional element, political awareness is another non-economic element of an internal service, customer-provider relationship:

"Being customer focused does not mean you have to meet all customer demands. You need to understand their needs, (rather than the wants of your customers), but they also need to understand your objectives." [P$_B$]

"Sometimes these internal customers lose sight of the fact that we all work for the same company. They say we need it today and you need to fix it straightaway - its quite interesting sometimes!" [P$_C$]

The formation of an individual's political expectations will depend upon their job role, the positional power associated with that role, moral authority, technical expertise and the organizational structure within which these elements can, or cannot be, exercised:

"There is a lot of downward pressure from senior management to do something, in the way they want. Inevitably the relationship between our customers and us is effected by internal politics. It depends on whether you think that "politics" is a pejorative word." [P$_B$]

"Customer expectations of service are important and there are different groups of customer expectations, because people depend on IT, to a greater or lesser extent, to do their job." [C$_D$]

Divergent Case.

All organizations are naturally riddled with politics but the divergent case highlights the importance of structure as a factor that encourages, or mitigates the unhelpful and sometimes destructive effect power struggles may have upon the provision of internal services:

'...you soon get clued up about internal politics of the place. You get to know the implications of our "chimney stack" structure and the difficulties of working across functions.' [C$_E$]

"The difficulty an externally recruited person would find coming into this job is the obvious one of trying to understand the company in terms of the corporate bureaucracy and the internal politics." [P_E]

The key word here is 'bureaucracy.' Can a large internal supplier provide high value services, without over formalisation and inflexibility? These perceptions often endow IT Departments with a reputation for unresponsiveness and over insistence on procedural integrity, at the expense of customer satisfaction:

"Sometimes unrealistic expectations arise from being treated as a 'customer.' Some of them have come to believe that we should offer an "immediate" service and of course this is not possible." [P_E]

"We are a big organization and do things in different areas of the business. It is inconsistency by certain individuals to do things differently." [P_E]

The political environment may be difficult, nigh impossible for an ISO. Few external providers have successfully achieved 'mass customisation' of services but at least some senior IS professionals in the divergent organization are aware of the political aspect to the provision of services:

"Some support requests may appear small but are really a big thing for the customers. For example, we have someone who is travelling all the time with the Chief Executive. Her laptop computer kept on going wrong. We mustn't underestimate the impact of this sort of problem on senior management's perception of the IT Division." [P_E]

Summary.

Because personal experience underpins the development of understanding, expectations are not static or absolute element of relationship but contingent upon the person, events and its circumstances. The three synergic forms of understanding will be changed by each encounter between social actors involved in the development and delivery of internal IT services. The challenges of managing expectations are exacerbated within the divergent case company, where organizational complexity may be naturally inimical to growth of mutual awareness.

4.2. Beliefs of Individuals.

The second category set is also comprised of psychosocial states: being the shared beliefs of the parties to the relationship, viz. the supplier (ISO), and the customer (the business areas). It is posited that these beliefs are deeply held views of a party, which may, or may not, be congruent with those of the other party. Beliefs have been distinguished from perceptions, which are feelings of individuals that result from a specific service interaction. In contrast, beliefs are generally held by the role group about the *relationship* itself. Each of the three beliefs, discussed in Sections 4.2.1, 4.2.2 and 4.2.3 below are not transactional but accumulative: gradually developing over time, as a natural consequence of individual service activities.

4.2.1 Credibility (Appendix E5).

The data indicates that an impression of overall performance of a role group develops from the comparison of financial and emotional benefits, with the financial and emotional cost (investment) needed to achieve those benefits.

Normal Cases.

"The other thing is when there has been a problem. The way we recover from that problem is going to colour their view about working with us again. The really important issue here is that they will remember what happened." [P$_D$]

"We took this time period to start building up our credibility, without going down the route of announcing: 'We are here to do this and we are going have an account plan and these sorts of regular meetings.'" [P$_C$]

"What we have done badly in the past and still do to a degree, is to say, that sounds like a great thing to do and the technology can do that; we can do it and we will do it - and then we don't." [P$_D$]

"Our IT systems do support strategic business change. For example, the takeover of a company, which happened with the purchase last year of their entire business. This was successfully migrated this to our systems. There is no doubt the IS Department enabled us to do this. They did a superb job! " [C$_B$]

The image of a role group is part of its reputation. The credibility of the ISO is embedded in the relationship by the opinions of its customer. This reputation has to be earned – it cannot be assumed. This is because credibility is a validation or repudiation of behaviours seen in the provision of a service:

"The sales person or service clerks need these small amendments and changes. It's a double benefit. These improvements both increase productivity and reinforce the idea that people are being listened to. That is, their needs are receiving attention, rather than the big projects getting it all the time.' [C_B]

"The IS department have got to do a tremendous PR job to change the image people have of IT organizations. We are all guilty though, in one way or another of not publicising our successes." [P_B]

"If you believe like me that "perception is reality" then the IS Department must pay closer attention to the end user who is saying: "you are not delivering." Alternatively, though, the IS Department might very well reply: "We are delivering but we have a problem in communicating this or informing people about the problems that have arisen." [C_C]

"After I started making a contribution at meetings and picking up things, they began to realize that there is a role for IT input. You go for a few quick wins, even if this means sorting out their emails." ' [P_C]

The building of ISO credibility is a particularly acute example of the power asymmetry between customer and provider:

"Some customers see at all of this as a cost: IT takes everything out and gives nothing back. What we have got to turn this into is much more of the view that these things are an investment and that IT can really add value to the company." [P_C]

These observations link back to the importance of knowledge and the development of mutual understanding of needs, objectives, constraints and processes of other parties to the relationship:

"We haven't changed the way we work at all. In fact, what we are trying to do now is to present our processes to the rest of the business through education. We are showing people our measures and how we add value." [P_B]

Although 'image' will influence perceptions of service value and hence the credibility of the ISO, there are other more overt and ostensibly, more important judgements to be managed. These include delivery time-scales, service robustness, responsiveness and functionality:

"There is still a struggle for IS to gain credibility. The biggest gap is with those that see the day to day impact of system failures and the slowness of the IS Department to react. They don't see what IS is doing to get something done about it." [C$_A$]

"It's debatable whether the appearance and behaviour of IS staff always conveys a favourable image. Nine times out of ten, 'yes!" [C$_B$]

"I think it's the common areas where they (ISO) might damage their credibility within our Division. It's perception, rather than reality. There is always this view that IT departments either don't deliver on time; or if they met the target date this has been done by de-scoping the project. " [C$_C$]

Individual, day-to-day interactions and specific service activities will impact upon the fund of goodwill inherent to any relationship. This fund may grow, or degrade over a period of time:

"I might even waver to toward a disagreement with the statement that IS Department has credibility. I can think of a long list of system failures and changes that have sat on our list for twelve months." [C$_A$]

"We have a lot of respect at various levels of the company to get these things through. We still get the cynical comments about ISO versus outsourcers though. The business will always say to us just deliver your promises!" [P$_A$]

"We took this time period to start building up our credibility, without going down the route of announcing, 'we are here to do this and we are going have an plan and these sorts of regular meetings.'" [P$_C$]

<u>Divergent Case.</u>

The larger IS departments in the sample, in particular the divergent case, were the most aware of the covert aspects of service management and the importance of 'image' for strengthening the relationship with the customer. An example, is making use of problem recovery situations to boost customer perceptions - a well-known aspect of services marketing:

"...Not only did we recover from this problem but now she thinks we are marvelous. The people in the ISO I committed to do the things did so when they said they would. Something like this can be very important: the customer will remember." [P_E]

"We've got to ensure that the Business knows what is being done and that a proper post-mortem of the failure is carried out. Because of my background I understand computer networking technologies and on that occasion acted like very much in a public relations role for IS." [P_E]

"So there is something here, around getting the basics right for running and support of day to day operations. Attention has got to be paid to getting those things right, before a customer will engage with you about future plans." [C_E]

However, as noted earlier with the normal cases, successes must be translated into credibility and this starts with the recognition of role group image. The need is for a strategy and appropriate resources to be directed toward impression management, for developing credibility in a relationship:

"In the same way I never saw what went on inside these external suppliers, part of my role for IS is to protect its professional image with the internal customers." [P_E]

Whilst senior IS professionals may be aware of the need not only to do but also to be seen as doing, more junior members of the IT staff may be unaware of, or careless about the department's reputation:

"With respect to the contribution of IS to team working within the company, we don't always get visibility of the whole IS team." [C_E]

"If we, as IT Account Managers ostensibly own the resources to do something and we can't sort these minor things out for them we might as well not bother because our customers will think we are completely useless." [P$_E$]

The other matter, brought out particularly by the divergent case, is the influence of ISO credibility on strategic plans for the resourcing of IT services. Damaged credibility, may motivate some internal customers to consider alternative providers of IT services to the business:

"Now much of the service is outsourced, it depends upon external suppliers and third party-providers. Service failures are now being blamed on outside bodies but it is not the fault of our IT staff. It seems to be related to problem ownership." [C$_E$]

"Money is obviously an important factor. More often, it's about credibility: can they be seen to have delivered a good service? It's your level of confidence level answering the question: 'How well have they done this before?'" [C$_E$]

"I used my personal experience to say that we should never be in this position again where the Business says 'we don't understand what you do' or, 'we don't think your services are very good and we are going elsewhere.' Outsourcing resulted from lack of information and poor communication – I think it was totally avoidable." [P$_E$]

"We are now more highly regarded because of the outsourcing that has taken place. Often with external providers it's all talk and no delivery! [P$_E$]

<u>Summary.</u>

The strength of an internal customer-provider relationship is reinforced by the development of the provider's reputation through careful management of customer expectations. For this to be achieved individual successes must be consolidated into the general reputation of the provider and this can often be quite problematical. It appears that the image of the IT in the eyes of their 'partners' in the business seems to be a cause of anxiety, on behalf of the ISO. This, perhaps, is a sign that image is increasingly recognised as important in the context of outsourcers - who pose a real competitive threat for the majority of IS departments in the sample set.

4.2.2 Dependence (Appendix E6).

Collaboration between work groups varies enormously, both in its degree of intensity and extent to which activities are shared. Dependence is the belief that the success of an endeavour is contingent upon what the parties could and should be able to do for *each other*. Thus development and delivery of IT based services is predicated upon common view of goals and how processes and work structures afford opportunities for people to work together.

Normal Cases.

"An example of a less successful project would be one, where (for historical reasons), it was driven by external suppliers, rather than the people at the 'coal face.' The difference between success and failure is the closeness of the application system builders to the day to day work of the people that are, or, should be involved." [C$_B$]

Some informants think that only by sharing task, can the IT services provider and customers realise their own separate objectives and aspirations:

"We are in these projects together. We both have a vested interest in it working." [C$_D$]

"The team has evolved to look after some of the things where there were either gaps: tasks users can do for themselves but need to be controlled or coordinated." [P$_C$]

There is also the belief a truly engaged relationship requires agreement to a direction that is most widely acceptable to all parties:

"The focus has been on resource based competition - for instance whether we have developers available. There is a growing acceptance that it is not always based upon systems development or operations staff availability. Often as not, it's more about the people in the Business, who are trying to do too much at once." [P$_C$]

However, for the internal service customer there maybe the problem of over-reliance; putting your fate in the power of a single provider:

"If you are in complete control of your work, be it a project or task then, it's a good deal easier than if you have to rely on others." [C$_B$]

A robust relationship may be characterised by sense of an equitable balance of power. That is, a feeling of interdependence, rather than independence or total dependence. Recurrent opportunities for temporary, collaborative arrangements will help to ensure that one party doesn't pursue self-interest to the detriment of the other:

"There are some occasion, where IS has to take the lead. The big danger is that you have one prime focus for the change and the team may then forget they also need to involve other areas.. Generally speaking though, it works well." [C$_B$]

"A lot of situations where we fall down is when we've got all our resources and are geared up to deliver this thing and only then we say to the customer you need to get involved now to do, say, training workshops or acceptance testing." [P$_D$]

Reciprocity seems to be the key characteristic of a healthy state of dependence. It is a sign of how the general good of both the provider and customer are inter-linked and possibly inseparable:

"Sometimes, however, I believe customers, don't always understand the resource constraints that mean we have to spread ourselves across departments." [P$_A$]

"Perhaps this co-operation with ISO has not worked as well with other people because, without sounding too big-headed, it is because of my drive." [C$_D$]

The degree of interdependence of the ISO and the business function, is dictated, in part, by the complexity of organization and the pervasive and some might say, invasive nature, of information technology:

"Whilst it is possible to make IS work with an external provider, to do this successfully means you must have a way managing the rate of change. It needs to be a highly co-operative form of enterprise if it's going to work." [P$_B$]

Operationally, the increasing level of systems integration also reflects the development of organizational interdependence, though this seems to be more of a worry for the ISO than for the customers:

"...we have so many different varieties of different types of software. Some people went off and built their own individual management systems." [P$_C$]

"...users are beginning to see that their PC applications are, like mainframe applications, part of the lifeblood of the organization. So if there is a problem, it does not just inconvenience the individual but can also affect the work of others." [P$_A$]

Although this research cannot explicitly demonstrate a correlation, it is likely the more complex the internal environment, the greater the inclination of the parties toward interdependence. It is not unreasonable, as evidenced by the experience of the larger organizations studied (particularly the divergent case) that business such as these, could not operate in any other way but one supporting mutual dependency of role groups:

"I believe senior management has said team working is now in place, embedded in the way we do things, our culture." [P$_A$]

Even if the environment is right, development of balanced dependency might founder upon individual agendas. The influence of particular social actors or a role group is bound up with notions of control over what should be done, ownership of resources and how they should be deployed.

"You can take the culture of the meeting to an extreme. We tend to put a lot of people in a room and try to come to a joint decision. The success of this approach depends upon the nature of the problem. " [C$_C$].

"After the initial reaction to a request you realize that to do it your going to suddenly need things, such as people. That is, resources beyond your control." [C$_B$]

"They were used to a way of operating that was, 'when I know what I want, I'll just tell them (IS) to do it!" [P$_C$]

There are correspondences here between relationship dependency and the category 'focus.' The latter is a perception that the objectives of a *specific service* are aligned (see Section 4.4.2 below).

<u>Divergent Case.</u>

This case most vividly illustrates the putative linkage of dependency to organizational complexity. Indeed, according to the informants, co-operative alignment of actions is the only sensible way to handle complication and the natural entanglement of socio-technical systems within large organizations:

"The whole IS/IT team, delivery people and service partners are there together at these customer review meetings to solve the business problem. It's a different approach then trying to address topics from the system perspective: a quite different way of looking at the world." [C$_E$]

"There are a lot of dependencies around that are not within your control. You would have to be very clear to reward exactly what is in your control, or influence and have no penalties attached to those things that you cannot change." [P$_E$]

"One of the tasks of account management is to cut across these boundaries. Most tasks need co-operation of the different elements of IS to make things work." [P$_E$]

Although some progress has apparently has been made, organizational and political barriers remain formidable and may act to limit the development of the ISO-business relationship:

"Cooperation can be patchy: certain areas are very independent minded, who tend to do what they like but others are more controlled. This is due to personalities, the type of work they do and the changing organizational structure." [P$_E$]

In spite of everything said or done to the contrary, we tend to work in 'silos.' " [C$_E$]

"Every area has got their own IT budget. A consequence is that even if they could see it was being better done elsewhere, you still get these smoke stack' systems." [P$_E$]

Indeed, there is more than a hint that complexity can reach a stage where it is beyond the scope of any large organization, to internally manage the effective and economical delivery of IT services:

"If one customer wants to do a specific project - that's easy. If a whole group of customers from different areas of the business get together and wish to deliver a particular IT project that can be a complete nightmare!" [C$_E$]

"We need an improved integration with the business. The way we are currently set up is the focus is on the individual account. This was fine, because that was what was originally intended but it does not address issues that affect an entire Strategic Service Unit." [P$_E$]

Summary.

The general internal environment of an organization and the degree of commonality between group ideals and objectives will help to set norms of co-operation. The extent, to which the customer and provider hold a common belief in the virtues of interdependency, varies throughout the sample set. Further work is needed to identify the structural elements of organizations and technical practices, which enable or hinder efficient and effective collaboration between an in-house IT department and its internal customers.

4.2.3   Trustworthiness (Appendix E15).

Trust is a ubiquitous and apparently an intuitively understandable idea, central to all forms of relationships. On closer inspection, however, trust is a somewhat difficult emotion to define, as it subsumes many forms and modes of action. Furthermore, trust is different from trustworthiness. The author has construed trust as a form of *behaviour,* an action, in part, based upon 'trustworthiness.' That is, the latter is the precondition for trusting: being a *belief* the other party in the relationship has qualities such that a degree of faith and hope can be placed in that party.

Normal Cases.

"If the relationship with the customer is good and you are doing business on the basis of trust that is your starting point." [C$_B$]

Trustworthiness tends to grow slowly over time but can be quickly damaged in the eyes of the party that gave their trust:

"I think the customer team and I have built up this trust between us during the last three years or so." [P$_C$]

"One of the things that can happen when trust is lost is that everyone becomes defensive. All the time is spent in protecting themselves against the inevitable consequences of the project going wrong." [P$_C$]

Trustworthiness is entirely a subjective matter. It is to do with the intrinsic personality of individuals or groups, rather than the roles they perform or the existence of procedures and standards designed to establish competence:

"It's quite a relationship thing. They get to know how you work and you know how they work. So much of it is based upon the development of trust." [P$_C$]

"So it is back to working relationships. If you can get these right then people will accept others making decisions on their behalf." [C$_C$]

In the light of this, it is perhaps not suprising that many of the interviewees were critical of formal agreements, such as service level agreements (SLAs), as a sign of *low* levels of trustworthiness within a relationship. Doubts about the purpose and utility of formal agreements were expressed by most informants: from within the smallest to the largest and most complex company. The customer view was more critical, even cynical, than the ISO provider about these service agreements:

"If you write something down and trust is not there that relationship they will fail." [C$_B$]

My customers viewed SLAs with extreme suspicion- if not outright hostility. Their perception of SLAs was that it was another example of IS covering it's own back. [P$_C$]

"A SLA will not make a poor relationship right. In truth, you could very well argue that if the relationship is right you don't need a formal agreement." [C$_D$]

Several organizational or environmental factors seem to support or enable the development of trustworthiness within a working relationship:

(i)   One factor is the extent to which the parties share general views about the world in which they operate. A common ideology (Section 4. 3.1) may be of sufficient importance to be classed as collective cultural values, of the ISO, such as honesty and integrity underpinning intentions to provide the highest quality of service:

"You've got to be open about your services you provide and if something is not up to scratch we have a duty to fix it." [P$_D$]

(ii)   The second condition, is the extent to which the parties are actually able to share common ideals. Continuous reinforcement and transmission of values, rests upon good communications between the internal customer and supplier (Sections 4.1.1 and 4.4.1):

"I don't think the processes are necessarily there to develop trust: it was down to the individuals. We have built it up as we have gone along." [C$_C$]

"Another approach to projects is to 'take a flyer.' To clearly identify, communicate and share the risks, knowing that things will change as you go along. Doing it this way probably means that the system is likely to go in quicker; which is often the thing that is important. You can only do this, however, under circumstances of trust between all the parties involved." [P$_C$]

Communication, derived from a sense of familiarity with the behaviours and ways of working between the parties, helps to engender trustworthiness. The wider the range of IT services and service-related interactions, such as internal consultancy, business strategy planning, development projects and operational support, the stronger the growth of mutual trustworthiness:

"Our analysis showed the key activities for account management. For example, getting to know people, gaining their trust by keeping contacts going and looking for opportunities by understanding their strategy." [P$_C$]

In line with this conclusion, remembrance of previous specific service interactions and encounters is of importance, because these incidents progressively colour the belief about the trustworthiness of the other party:

"People and organizations (like an IS department) can maintain trust if they recover well from a problem, though it depends on how the problem came about in the first place." [C$_A$]

"...I know he does a high quality job. He also knows how I like to work, so it becomes like an extension of yourself." [C$_B$]

Divergent Case.

The largest and the most complex of the organizations, shows little difference from the other companies. For example, the *distrust* of service level agreements similarly features:

"The SLA is just a tool that gives you some measurable. In a way this is starting back to front. You don't start with a SLA and conclude: 'This means the relationship with my customers is OK If the relationship is unhealthy and poor, they won't trust you. Writing a SLA will make little difference to this!" [P$_E$]

The divergent case does show a wide range of views about trust and trustworthiness:

"There are individuals that I would trust implicitly and others that I don't. The reason that I don't trust them is based on past experience." [C$_E$]

"Account Managers need to be visible and fully accountable to their customers." [C$_E$]

There are instances where trust between some certain individuals or groups can reach a high levels. Even to the extent whereby one party (the internal customers) will allow certain IT staff to act as their agent or surrogate:

"Again, because I am doing business with them on the basis of trust. They trust me to look at these figures on their behalf and alert them to any serious problems that might develop." [P$_E$]

There are also situations where, in a general, even moral sense, one party is believed to be untrustworthy, consequently causing damage to relationships:

"Then people started to see that outsourcing brought its own difficulties.
It was destroying the fabric of the company; there were a lot of hurt feelings.
We as part of the IS department were just as exposed to these changes
as those that were being outsourced in, say, the catering department." [P$_E$]

Summary.

The evidence from the normal and divergent organizations is that belief in the trustworthiness of the counter party, whether internal customer and provider is crucial to the formation of a strong relationship. Indeed, trust, as the manifestation trustworthiness, is one of, if not *the* most important foundation to a successful working relationship. Trust as an implementation of the potential to be trusted (trustworthiness) can only exist as a multilateral interaction, with the expectation of a mutual response to the giving of trust as a consequence of a capacity to be trusted.

Trustworthiness is similar to credibility, because it must also be earned or given - but it is also different. Trustworthiness is based upon prospective risks; credibility is predicated on proven, past performance. A high degree of trustworthiness is where a party (usually the customer) believes that there is low level of risk attached to the future behaviours of the other party.

For trust to be given, the division of risk must be seen as, reasonable, equitable, or otherwise acceptable. The highest level of trustworthiness is characterised by the complete assumption of one party as a substitute for the other: acting entirely on their behalf. A weaker bond is characterised by overtones of authority and management control.

The informants of organization 'A' made little mention of trust in their conversations. This could be an artifact of data capture but equally could indicate a very fragile and impoverished relationship between the ISO and the internal customers within that organization.

4.3.   Organizational Context.

External factors have a significant but diffuse affect upon the dynamics of internal customer-provider relationships. Almost by definition, the different elements of the outside world are potentially limitless and, in this sense difficult, to reflect meaningfully within a limited range of categories. The author concluded that for this study, the need was not so much to identify elements of the external environment but to define the prevailing conditions for the relationship, *within* the organization.

The decision was made to use a single main category, organizatonal 'climate', for specifying the prevailing internal conditions for the relationship. Climate was seen as the outcome of changes within the external environment, influencing the more static and enduring core values and organizational characteristics of the enterprise. A criticism of a single category to represent a distillation of broad organizational factors is that it is an over - simplification of the contextual circumstances and could compromise the degree to which the grounded theory may be generalised (Section 6.1.3).

4.3.1   Climate (Appendix E3).

Climate will be conditioned by a whole variety of external change drivers. Market forces, technological innovations and the actions of third parties, such as outsourcers will impact unevenly upon climate, which in aggregation, sets the background for all internal relationships:

"The working climate is most likely to be effected by external changes and some elements of our own culture." [P$_C$]

Some external factors have been foreshadowed in the first part of the thesis. In terms of the internal customer-provider paradigm, the climate within the organization might be envisaged as the internal 'market' for a service:

"I don't think that you can have an internal market that operates to the benefit of the customer, if it's a prerequisite that you must use an internal supplier like the in-house IT department." [C$_A$]

"I don't see us operating in a market with ISO as a supplier and the 'users' as customers. I would like it to be more of a partnership and to some extent I believe it really is." [P_C]

Obviously, climate will vary from organization to organization but similarities can also be found within the sample set. The discussion of climate will be presented under separate headings. These reflect different elements of the category, although these cannot be easily isolated from each other, since it is their synergy that defines the context for the ISO-business relationship.

4.3.1.1   External Forces.

<u>Normal Cases.</u>

External constraints and demands must necessarily affect internal interactions but by themselves do not create them. The external social milieu helps to set the bounds and limitations to the customer-supplier domain:

"About three years ago when all the changes started to happen. There really was a change every six months and it's got to the stage now that however large the change it doesn't effect you in the same way. Yes, you become hardened to it." [P_A]

The level of business (income) has not kept pace with that expenditure so at the moment I would have to say that the IT based services are not 'value for money' because we are spending too much (as a proportion of income)." [C_B]

External changes have the potential to enhance the relationship, or to damage it. However, business or market turbulence and increased complexity may not be easy to incorporate into the planning of internal IT services:

"The reality is though, that what actually happens in business often as very little to do with planning and strategy." [C_B]

"In the real world is that there are many outside influences that prescribe to a great extent what we must do and when we should do it. It can get tricky. There might be some conflict between what we can see as the natural thing to do at that time and other pre-planned projects." [P_D]

The rapid evolution of information technologies and concomitant expectations are other factors continuously driving the evolution of the relationship:

"I think that by the late "80"s implementing applications for the mainframe was fairly well honed, so you were able to create some very good "legacy systems." but Client/Server has changed all that." [P$_A$]

"With the technology changing its difficult to set a budget for it. There has been a significant reduction in the real cost of the mainframe service but the overall IT budget has not shrunk because the hidden costs of desk top and LAN services support has absorbed much of the efficiency gain." [P$_C$]

"The problem with the current situation within the IT industry is that when a person comes in and has been here for a little while they are still a trainee but to outside organizations they are qualified and therefore a potential employee for them." [C$_C$]

"In previous times IT was a specialty but nowadays schoolchildren know more than their equivalents a decade ago. There is a greater awareness of IT generally. " [P$_D$]

Another external affect is the growing trend toward outsourcing. The general policy of the enterprise for the provision of services from third parties plays an important part in the political situation of the ISO-business relationship:

"What I don't need is inconsistency of supply. If you can't actually get the management of the outsourcer right through your IT relationship managers then you will fail. [C$_C$]

"We are trying to make ourselves look and behave like a commercial organization in terms of our complete with organization and systems to fend off any threat of resourcing of IT from other organizations." [P$_C$]

Divergent Case.

All the sample companies were affected by changes in the outside world but the divergent organization faces particular challenges. Not just because of its sheer size but also its structural sensitivities to short term market changes.

These reflect a greater exposure of this particular organization to turbulence in domestic and world economies, than for the four insurance organizations comprising the normal sample:

"What surrounds the model is very important because it changes the behaviours of the IS organization. We are going into a situation where both our customers and us have pressures. I cannot supply to you what you want, because I've got cost pressures from the same source as your pressures. The internal trading then becomes more of the traditional budget bound process." [P$_E$]

"The organization heavily influenced by the fact that we operate in a cyclical business. We are moving off the peak of the cycle, for the first time in a number of years: it's a flat budget. The orientation of the ISO is to control cost so we now have a different set of pressures. [P$_E$]

IT service failures, induced by complexity may also be a reason the organization has had a highly variable experience with internal ISO versus outsourced services. This situation also may explain problems of trust between the parties alluded to in 4.2.3 (above):

"We hand an instance the other day, where admittedly we had agreed a design but wanted some minor changes that weren't done because they (ISO) said it was 'scope creep.'" [C$_E$]

"Since plans have been abandoned for this SBU to become a separate company, they have started to come back to us. Now they say you are part of our team. " [P$_E$]

Finally, the endemic problem of complexity, control and cross-functional working again makes an appearance for the divergent case:

"...each Business Manager has these different cultures to contend with." [C$_E$]

4.3.1.2   Culture (Appendix E3a).

Culture is a term often used to encapsulate the idea of shared values and a set of general axioms underpinning the actions of employees. Culture is probably that aspect of an internal environment most unyielding to external change and yet it is also a difficult concept to meaningfully define.

Notwithstanding, this vagueness, customers and providers in all the sample organizations recognised the importance of culture for their relationship.

Normal Cases.

"I believe that for an ISO to work well, the relationship between it and the rest of the company is the key. The IS department has to feel they are part of it. You can't have any department having a separate culture. It has to be a group culture " [C$_B$]

"The idea was to become more open and honest as individuals, working in a team environment. Maybe this is one of the reasons that I struggled in the early days in the role of an account manager is that I worked to those values in the past anyway." [P$_C$]

Within the internal environment of a business there are general beliefs about what is important and how everyone in the enterprise or a particular role group should behave. Some of these cultural values, such as openness, acceptance of responsibility, care, or duty to others can be implicitly identified from the data but other dimensions tend to be more hidden:

"We need an environment where people feel free to come forward with suggestions for improvement." [P$_D$]

"The customers want us to sort out their problems: they don't appreciate discussion of our internal issues! With tried to change to move away from this 'blame' culture. " [P$_A$]

"I was in a team that was involved in the IT cultural change exercise to develop core values and beliefs within our division. We firmly believe it's the way to go: by means of true teamwork, flatter structures and by valuing everyone's contribution to the Business." [P$_B$]

" I think 'culture' comes from people: who they are; how they act; and what they do. This idea helped us value the differences between people's preferences and diversity: to use it to benefit the company." [C$_C$]

"One of our values is integrity and honesty and the way that the company has developed in the last year or so means they shouldn't be afraid of saying 'no.'" [C$_B$]

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Within the sample companies there were a variety of explanations for the origin of the so-called, 'culture gap', between the ISO and the rest of the business. These reasons put forward included, the history of IT, nature of the industry, the type of work done and the personalities of IS professionals. Within this amalgam of causes, it is possible to distinguish between general views, in a sense of received opinion and the specific feelings of individuals, which result from a person's own experiences of a particular services (see also Section 4.1.1 above):

"This problem with the 'them' and 'us' comes and goes. I think historically IT was always sense as a bit of a mystery – perhaps is still is in some areas." [P_B]

"Maybe other business functions have a more balanced view about themselves or perhaps it is due to intellectual and analytical people who tend to get into I.T" [P_A]

"...then it comes to the person who is the account manager or project manager as to how they are managed and these values transmitted through the company." [P_C]

"I would concur with the view that there are 'cultural' differences between the IS area and other parts of the business. I am desperately trying to think why this should be so. If you are in insurance you work for an insurance company. If you are in the IS function you might think of yourself as part of the IS department, that happens to be part of the group." [C_C]

These supposed 'gaps' are not just with IS and the business but also between different firms or subsidiaries that form a corporate group:

"At the moment we have mixed values and beliefs as part of the problems from the merger. We need to jointly agree what they are and work toward the new set." [C_B]

It is considered relevant to the discussion that all the ISOs have undertaken cultural development programmes - though not entirely without problems:

"I think we achieved a good measure of integration. Some people would say there is still a mix but from a personal viewpoint I feel very comfortable with the culture we now have got. It's very professional and we seem to be moving forward." [C_B]

"Although a culture programme is helpful and you need the organisation to support that there will be a limit to how far (by itself) that can go." [C_A]

"We re-engineered the processes of the Department but it left some scars.. After the re-engineering we found ourselves with a good operating model, identified software tools, processes etc but in the eyes of the staff it meant very little." [P_C]

Divergent Case.

Changes to culture reflect, albeit not always directly, the consequences of mergers, the influx of new staff and the development of a different, usually harsher, competitive environment. The divergent case is no different from the other organizations - the ISO must confront 'cultural' issues:

We are an animal of the company we are dominated by its values and behaviours.. There are some very good things there and some difficulties. You cannot have a ruthless cut-throat IS organisation embedded in an organization that says its beginning and end all is customer service. You've got a complete clash there. [P_E]

"Unless you can adapt to work in that environment you are not going to succeed. You have to adopt the culture of the customers you work with. So when the account managers are together as a group, I hear people say: 'That won't work with my customers because of x...'" [P_E]

"One of the reasons I think that they (ISO) have identified relationships as important is because of the big cultural differences between companies within the Group." [C_E]

Where appropriate, the ISO has proactively changed to become more congruent with customer ideals and aspirations, with variety of success:

"If you want something measurable, or tangible to prove there had been a change or improvement in the IS culture then this is difficult to do." [P_E]

"There has been a lot of effort put into changing the culture of IS, so nowadays, customer service on everyone's agenda." [C_E]

4.3.1.3   Design (Appendix E3b).

Organizational structures implement the distribution of power between roles, responsibilities and accountabilities of the internal customer and provider.

<u>Normal Cases.</u>

Function plays a key part in structural design but the socio-political connotations of jobs, status, and positions appear in overt and subtle forms:

"I prefer to try and make each role contain as many of the attributes as possible, especially senior managers, who should all be the 'glue' with the business, instead of being technical experts." [P$_A$]

"'There has got to be a level in IT that takes on board the mission of the company and understands how that relates to what they are doing." ¶[P$_B$]

"Since the restructuring we have started building some bridges to IS..." [C$_D$]

From empirical evidence, structure is also driven by (but also drives) what needs to be done, in terms of the particular standards, policies and strategies of the ISO and the business areas:

"This happens because of our history The way they used to work there was no central IS control. Each department was allowed to do its own thing... that mentality is still there in some areas of the business" ¶[P$_D$]

The way people operate within a structure may be called their 'style.' This too, is part of corporate climate, by acting as a link between the organizational structure and values. Style is derived from role group interpretations of general imperatives, inclusion within decision – making networks, motivational arrangements and the use of management systems for devolving authority:

"When trying to understand our own culture we did an analysis of all the individuals in the IS Department in terms of their preferences. They didn't want the old command and control but a clearer direction and better co-ordination of the teams." [P$_C$]

"For some activities, you can hand over all responsibilities: full facilities management arrangement. It's a tall order and you need a mature climate for it to work." [C_B]

"We are 'results orientated' in the sense the staff are told what we want but how they get those results is up to them. If they can see improvements in our services in a particular way its up to them to make those changes." [C_C]

A combination of roles, strategy, norms of behaviour, task content and the technology base influence the organizational design adopted by the in-house IT provider for developing services and delivering them to their customers:

"The companies that now constitute the group have different operating cultures. These show themselves, for example, in the degree to which processing is done in the branches compared to a very centralized operations." [C_A]

"The other thing you've got to do is to make sure that you develop a team framework. It's not just the programme manager - it's the whole company culture." [C_B]

"...trying to do is to push accountability downward and if you succeed you can take layers out from the middle. If you remove layers but don't change your accountabilities, it's not surprising IS managers get overloaded with detail." [P_B]

"A way to organize the IS development is to a pool of resources that any of the operating companies within the Group can dip into. The alternative is to say, we've got all these different business and that IS is a part of those businesses." [P_C]

However, the perceived complexity of an organizational structure will also colour views about the ISO-business relationship:

"It's a hard set of management to get through to. I couldn't draw a structure for you. To be honest I wouldn't know where to begin: there are quite a few levels!" [P_A]

"It was getting increasingly difficult to find out who was responsible for what within IS and then co-ordinate or liaise with systems work across those various functions." [C_A]

"The problem we have got is that we don't know the structure of the IT department. I'm sure, more junior managers and staff are totally confused by the structure." [C_B]

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Divergent Case.

Organizational design is the most obvious reflection of business complexity, diversity and the extent to which client orientation is central to ISO operations. The divergent case shows most clearly, how this imperative may arise as response to the challenge of competitors to the internal IT service provider:

"We have revisited all our processes, our structure and the skills of our people to come up with an organization that we think is more customer-focused." [P$_E$]

"All the people that were concerned with managing our cost base, invoicing and charging have been put into a single function. Like a commercial organization we can now put together bids, cost and pricing philosophy. We are developing all the skills of an external contractor." [P$_E$]

"One outcome from the reorganization is we now have some staff who will be "customer consultants", supporting service to their customers by being located within the customer areas. [P$_E$]

"We pulled these functions out and put them altogether to provide more of a customer focus. In the previous structure, I think, a major issue was that there was no clear ownership about what was being put on the (help) desk." [P$_E$]

The degree to which even highly customer-focused structures can really help a very large scale ISO to be truly responsive is somewhat debatable:

"The role of (Delivery Manager) arose from due the shear and growing size of the company with a multitude of teams. We are constantly struggling against the size of the organization. I feel sometimes the organization strangles itself!" [C$_E$]

"I'll go back to IT Division, where sometimes it's like 'wading through treacle' to get things done. I try to make things happen, in spite of the way we are organized!" [P$_E$]

4.3.1.4   Policy (Appendix E3c).

The purpose of the ISO, in the sense of what it is there for, is probably that aspect of the internal environment most sensitive to changes originating in the outside world. Corporate policies will influence, *inter alia*, technical standards, the stance taken on service innovation and the management of IT operations.

Normal Cases.

In an entirely rational world, agreed policies would guide the way customer demands of the ISO would be properly balanced against the available service resources:

Many of our process measurements are not expressed in financial terms but are qualitative/expressions of opinions. For example, what do people feel about the outcome? Does it align with our strategy? Is it risky or otherwise will expose the business? [P$_C$]

In reality, IT service strategies must also fully reflect the political realities of the organizational environment:

"You must be aware of where you are prepared to give some ground and where you are not. You set out a strategy for the programme manager to work within." [C$_B$]

As organizations grow more complex, through organic growth, or industry consolidation, imposed approaches, methodologies and standards have become issues for some of the sample organizations:

"Since the takeover, the previous project tracking system has been replaced that is paper-based. The old system did not meet the corporate need." [C$_A$]

A distinctive element of all the participating organizations seems to be managerial attention (or more accurately the lack of it) focused upon encouraging a sense of creativity and drive toward the adoption of new ideas. Not only can there be practical outcomes from a focus on innovation but the visible support given to this, sends a political signal that the I.S. organization wishes to progress and add further value to the services offered to customers:

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"The services provided by IS do not really encourage creativity and innovation but this is a Business rather than IS/IT issue." [C$_D$]

"You have to have a pot of money, (an R & D budget so to speak), with which you can say, 'this is money we are going to spend to try to get better.' The reasons we don't do this, is partly because we being cost conscious at the moment but also we are too preoccupied 'cutting up the logs without thinking to sharpen the saw'." [P$_B$]

"People do come up with ideas which we, (IS management), dismiss and fail to explain why. Sometimes there are good ideas but we have failed to act on them - mainly due to the pressure of things." [P$_B$]

Divergent Case.

The implementation of policies for creativity and service innovation appears to be fairly poor for all the normal companies. The resources available to a very large ISO should enable service innovation and improvement to proceed with a more positive impetus than for those companies with limited budget. However, again, it appears the scale of the divergent organization and the complexity of demands, can hinder the delivery of just those types of service that would be perceived to add value to the customer-provider relationship:

"... we can then really do our job, which is adding value by developing an IT Strategy for our customers. Freeing up time spent on the budgets would be help for this to be goal to be achieved." [P$_E$]

"Our General Manager is trying to give us more support to develop the role as it was intended: to provide a service to our customers at both the operational level and with their future IT strategy." [P$_E$]

"Now we are no longer a monopoly supplier of IT services and we've seen that internal customers will go outside for their IT provision. So we have to think about being competitive and giving that extra value." [P$_E$]

"What is missing from my point of view is a Business champion within IS at an operational level, not at a strategic level, so that for example we could have an input to IS development and support processes and standards." [C$_E$]

Summary.

Summary.

Organizational structure, policies, styles, values, standards and collaborative mechanisms help to make the environment for the ISO-business relationship. Climate change takes place over a relatively long period of time, in response to external factors and as an outcome from the implementation of IT services.

In most respects, the divergent case is not so very different from the other companies, except that its size and widely diverse operations naturally exacerbate tensions caused by apparent cultural differences between the ISO and other parts of the company. Organizational complexity and increased business diversity makes social integration of IS professionals and business staff more difficult to achieve in a larger organization, compared to small – medium size firms. Moreover, structural bureaucracy can also prevent the extra resources, ostensibly available to a large ISO, from being deployed in ways that would strengthen the internal customer- provider relationship.

4.4   Perceptions of Individuals.

An individual's (social actor's) feelings and views about a particular IT service, have been labeled as 'perceptions'. The data suggests three types of perception: self-identification with goals (focus); an interpretation of those goals as a sense of responsibility for meeting those goals (commitment) and conclusions reached concerning goal achievement (satisfaction).

4.4.1   Commitment (Appendix E4).

In the context of a customer-provider relationship, commitment appears under several guises including, 'buy-in', involvement' or even 'responsibility'. Commitment, as a perception, could have a number of connotations, depending upon the differing roles played by an individual: as a member of society, an employee or a participant within a particular service activity. For this study it is this third interpretation that is of importance, though the other two perspectives will have an indirect influence upon a service.

Normal Cases.

A sense of commitment is when individuals feel part of an activity, to the extent that they feel able to sacrifice resources and receive a psychological, political and economic benefit in return. Without commitment to a course of action the successful development or delivery of a service will be at risk:

"If a commitment of resources could not be given, the Project Management Executive (PME) would then question whether the project should proceed." [C$_B$]

"I believe that if you have a dialogue and a good relationship between the parties you can overcome problem of commitments." [C$_C$]

"Before you start you need to agree together how you are going to work together. You can do things very formally and rigidly then you might likely say: 'If you are going to hold me to achieving the objective by a given date then I need to know quite clearly what it is I am committing to beforehand.'" [P$_C$]

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"As a long as I have known it the company has been in a period of rapid change, so it's quite easy for things to move that quickly for not everyone to be on board." [P$_B$]

Both customer and provider informants speak of 'commitment', in terms of the mutual alignment of promises about resources to achieve goals:

"You can do things very formally and rigidly then you might likely say: 'If you are going to hold me to achieving the objective by a given date then I need to know quite clearly what it is I am committing to beforehand.' " [P$_C$]

A particular relevant aspect of commitment is how it affects participation in a joint activity, such as an IT project. Although there is a conceptual difference between involvement and participation, the terms are often, quite naturally, used interchangeably. Commitment, expressed as a feeling of 'involvement', affects the customer-provider relationship in two ways:

(i)   Firstly, by laying a foundation for the future provision of resources. These may be time, money or moral support. This latter aspect seems to be a source of discord in all the organizations but particularly within the divergent case (see below):

"At this point in the project it's my job to ask the customers:
'We are going to need, say six of your people, can you release them?"
If they say: 'No!' then I will then ask them:' Can you please go away and think about it?' 'They are paying for the work so why do some customers almost sabotage it?" [P$_C$]

"A less successful one would be project 'x.' For historical reasons the external suppliers, rather than the people at the "coal face" have driven this. The difference between the two examples is the closeness of the system builders to the daily work of the people that are, or should be involved." [C$_B$]

(ii)   Subsequently and possibly retrospectively, colouring the individual judgement made about whether or not the necessary level of involvement has been achieved:

"We do not get involved with benefit realisation: it is a point of some contention. We know that we are not good at it. For example, after a project we should audit what has been achieved against the initial benefits." [P$_C$]

"Their (IS) view is that the users agreed the reduced specification. In reply, the users would reply that "this is true but we were presented with the de-scoping so late in the day that there was nothing we could do but to agree to it. It wasn't a true choice." [C$_B$]

The perceived strategic importance of the undertaking also affects the sense of commitment developed within an individual:

Commitment from top management is important: the statement of our aim came from discussion with the Chief Executive of the company. [P$_A$]

We set ourselves a goal, a little while ago of delivering a new, (General Insurance,) product in three months. We could just about do this but it's down to resource commitments and priorities. [C$_B$]

Personal awareness reinforces or diminishes the influence of generic factors, such as a clear corporate vision and a performance orientated culture. The degree of commitment to an activity also appears to be linked to social (capital) valence. That is, the number of different emotional bonds between individuals involved in the activity:

"We've now brought the Business into a position where they themselves now see and appreciate the benefit to being involved in their projects. Their previous attitude was: 'I'll tell you, in writing, what I want and in three months time and I expect you to deliver to me exactly what I wanted, on budget and on time.'" [P$_C$]

"One assumes some involve you more because they think that you can add value. Perhaps some other customers feel that you should just get on with it!" [P$_D$]

"The customer side is in a similar situation to IT: they (other managers) are busy trying to control their departments. To spend half your time doing this interfacing job is not practical." [C$_D$]

Beyond commitment to a specific initiative, project or service task, commitment can also be thought of as a metaphorical expression for sharing. Successful customer-provider relationship should lead to a common intention, understanding, empathy and a mutual attachment between the individual and the group, or enterprise. That is, a type of organizational 'social contract':

"My personal view is that a contractor just does not have the level of commitment, loyalty and understanding of the customer, as someone who is permanent." [C$_A$]

Here, the corporate climate constituted from factors such as culture, structure and the like is particularly important. However, the environment may not always be perceived to be fully supportive for building a strong covenant between individuals and the company:

"I would say that most of the people are here to pay their mortgage. It's as simple as that. We are cynical about all this 'team- building' and 'mission statements.' We go along with it but we don't necessarily buy into it." [P$_D$]

"I think there are two reasons why so much of the company's IT resource is provided externally. Firstly, the company does not wish commitment to training and development of permanent staff. Secondly, it just seems easier to them go to an outside provider." [P$_D$]

Divergent Case.

It is likely, that for larger organizations such as the divergent case, the provider has to make more effort to develop a sense of involvement, than for the smaller companies. Many agendas to have to be met within a complex business and technical environment:

"So there's a lot of politics in this job trying to persuade people to 'buy in', to what is wanted." [P$_E$]

"The trouble is that our IT network is so large now and its sometimes difficult to get the buy in from the business for something that you know is very important - we need to get it over to them.'" [P$_E$]

Although the company has identified the importance of commitment within specific job roles (e.g. IT account manager) the problem of encouraging customers to give the necessary time and political backing to a project remains a problem. Indeed, there is little evidence from the divergent case, ,or from the normal organizations for that matter, that much has changed for the better during the history of commercial information systems development:

"This is when I should step in because projects should not be started unless we are getting the commitment. This is when the developers will come to me and say: 'We are not getting anywhere.' That's when I will use my relationship with my customers, and bluntly tell them: 'You are going to fail - you may as well stop this project!'" [P$_E$]

"It is therefore part of my role that if something has gone wrong to go back to the customer and renegotiate say, the scope or resource commitment for the project. One of the things I have now learnt to ask is: 'Where is your plan, Mr. Customer, for the commitment of your resources?' " [P$_E$]

The whole issue of commitment is more complicated than it first appears, since commitment must be mutual and this is only likely to be true where there is a degree of trust between the parties to the relationship (see Section 4.3.3). Sometimes, the customers have good grounds to complain about commitments to an IT service made by the ISO:

"We do not feel involved in the work resourcing decisions made by IT. It is assumed, (by them), that they can make that decision for the good on the customer (ourselves) on behalf of the customer." [C$_E$]

Summary

Commitment is term used to indicate willingness of a person to become involved with others and to share risks and benefits with them. Evidence from all the sample organizations suggests that although agreed goals are necessary for the development of commitment, these by themselves are not sufficient. An individual's sense of familiarity and ease of working with others is also needed for the development of that sense of engagement: the *commitment* to the service task. False assumptions, or presumptions, made about common goals may cause commitments to be subsequently nullified.

4.4.2 Focus (Appendix E9).

This category defines the perception of individuals about the intentions and purposes of a particular service. The word 'focus' has been used to label this personal feeling.

<u>Normal Cases.</u>

"They are not clear about the goals and objectives. The more junior people would say they are not clear about the goals and objectives of a service because of the communication downward to this junior business manager." [P$_A$]

""The important thing is that they own their personal development plan. The plan enables people to ask: 'Is what I am doing contributing to the goals of the Business?' If it isn't then stop doing it!" [C$_B$]

"IS usually proceeds on agreed requirements that don't say what if we did this, or that – it hasn't really happened." [C$_D$]

In any organization, people exercise their influencing skill as part of goal negotiation process. The prevailing climate (Section 4.3.1.4) for engendering conflict or co-operation is also crucial for achieving a common direction:

"When I was IT Director I felt I was more like an 'account executive.' I had opportunities to influence business strategy as it was being created within the decision making process.'" [Pc]

"We've had a very clear statement several months ago of what the business objectives are and nobody could say that they have missed this in the last two three months. People in the IT area are very interested in trying to understand this; more so than I have seen in some of the bigger organizations where I have been. They are trying to get people on-board. " [P$_A$]

In a customer-provider relationship, conflated with agreements for specific activities, such as creating a system requirements specification, will be a range of less overt interactions between the parties.

Individuals might use a technical activity as opportunity to influence political support for a project. In this circumstance, the capability to persuade others appears to be derived from personal reputation, experience and proven skills:

"I think the opinions of the customers influence the management of the information system projects. Though, some individuals matter more than others!" [P_A]

"It's quite hard to influence who you get from the IS function: some are good, some less so." [C_A]

The exercise is often one of using covert power, through reason and the (selective?) dissemination of information. This is true for all firms in the sample set but for particular for the divergent case because of the organizational complexities alluded to earlier.

A common focus does not necessary mean total unanimity but only positions have been clearly established, say, in terms of risk v payoff for the intended service task or project. The outcome of negotiations will be a varying degree of readiness to proceed with the activities to implement the goals:

"In the environment we operate in I have difficulty with the idea that the Business and IT jointly share the risk. I don't necessarily see that the IT department share the risk." Our IT department is, currently, a 'must use' resource and because they charge out their costs at an hourly rate I don't see what risk they face." [C_C]

Indeed, in some instances, the degree of focus in the sense of a common agreement may well be false view and will not necessarily be translated in a successful outcome of an implemented service:

"Being customer focused does not mean you have to meet all customer demands. You need to understand their needs, (rather than the wants of your customers), but they also need to understand your objectives." [P_C]

"An interesting aspect is the dangers of overplaying the idea of the 'internal customer' relationship. If you become an internal 'business,' rather than the partnership we were talking about earlier, you could end up with internal salesmen, maybe attempting to sell services that are not really needed." [C_C]

The evidence is that a common focus acts as part of the 'glue' holding social actors together in a joint enterprise and forms the basis for subsequent the subsequent investment to achieve these goals. Clarity of these goals is important but also the extent of their direct relevance to an individual:

"If every time you are doing a piece of work you are trying to address the customer needs then you become one part of the chain." [C$_B$]

"They (IS development staff) should be more focused on what the purpose of the exercise is meant to be. Perhaps they don't see this yet because we have just started to tell them to develop this way! Instead they should be saying what is the effect of what I do on the customer?" [C$_D$]

"For individuals, it's important to have a strategy. It gives you direction for what you are doing, what you may want to do and where your area and the Business wants to be." [P$_B$]

"'Leader' has more of a flavour of getting the best out of people; more steering them toward the objectives. A leader enables them to achieve these goals." [P$_C$]

Divergent Case.

To achieve agreement or some consensus about goals, across a very large customer base, is a tremendous challenge to an ISO. Certainly, more than the other companies in the sample, the (divergent) IS department has tried to do this by recognising goal articulation and resolution within the IT account manager roles. The key part played by mutual awareness (see Section 4.1.1) as a foundation for successful account management activities is underlined by the following examples:

"...to help customers identity, prioritise and agree an IS portfolio to support their business vision, mission and goals." [P$_E$]

"Our job is not so much to educate our customers, rather than to influence them about the way to do business with us. One example, are the thousands of requests for work that we get each year. We want to change this. We are trying to build up a groundswell of opinion within the customer base for this whole new approach." [P$_E$]

The need to influence opinion formers within the different functional areas to support common purpose to IT services has also been identified to be highly important. However, gaining a common focus even within the service provider organization about what should and could be offered to customers presents its own problems:

"One of the important goals for Business Managers is encouraging development across the separate business areas." [C$_E$]

"We show a single face to the customer but then you have to get back into the IT Department to use your influence to make things happen. That's the tricky part: influencing people behind the scenes to solve the customer's problem." [P$_E$]

<u>Summary.</u>

The perception that individuals have similar goals for an IT service plays a part in cementing an internal customer-provider relationship. Initial goal congruence is not the only element for achieving mutual orientation to an outcome. There must also be agreement to solutions for overcoming problems that may affect commitment. Common goals will encourage a degree of interdependence within the relationship to achieve those goals. As intentions converge, a political balance is struck between the provider and customer. This is because there is always the need for some control over others who share common aspirations but have dissimilar backgrounds, skills, or knowledge.

4.4.3 Satisfaction (Appendix E14).

Satisfaction is the third of the perceptions. Expectations of a service are crucial here, since they directly affect the development of a (mainly) cognitive base for an individual to articulate contentment or otherwise, with the outcomes of a service activity.

<u>Normal Cases.</u>

Satisfaction is an internal construction, a mental state that construes the meaning of an IT service in terms of its benefit to an individual:

"The final stage I want to take is to close the loop to ask the customers: 'We have delivered this. Was it what you wanted? " [P_C]

In contrast to some other studies discussed in Section 1.2.5 of the thesis, the data does not explicitly support satisfaction with a service as being *totally* dependent upon the confirmation or contradiction of a prior expectation. The context for the process of that judgement also features strongly:

"I think that if we explain what we expect from them (IS), the criteria how its going to be judged at outset, that is probably the way to judge their performance." [C_D]

"If there is a perception that a service is poor, customers will moan like hell about the cost. If a good service is provided, the cost of that service fades away from the mind to some extent." [P_D]

The judgment of service value may use evidence of a qualitative and/or a 'scientific' nature, such as statistics (Section 4.5.4 below). Though the extent to which this evidence really demonstrates 'user satisfaction' is debatable and the availability of the requisite information varies within the sample set:

"What I would like to do is to have some measures in place that I can use to demonstrate to the Business that we are getting better." [P_D]

"It is a laid down edict from senior management from the group CEO that any measure of quality must be based upon the satisfaction of the customer and this is true for all the internal service providers." [C$_A$]

Although, it is an intuitively reasonable and a well-reported concept, 'satisfaction' is not universally accepted, or consistently implemented, as a genuine representative or signifier of service value. The data suggests that individuals will have their own interpretation of satisfaction:

"You can't just take one person's opinion about the services that we provide to our customers. It only takes one user to have a bad experience; you will always be the same to them. I believe that someone should judge you whom you provide a service to but also vice versa." [P$_D$]

You might be very good but you are not perceived as very good. The reverse of course can also be true." [P$_C$]

Part of the explanation for the problem of satisfaction as an indicator of successful IT service, is that it is linked to the purpose, efficacy and transparency of the evaluative mechanisms. In particular, the difficulty of making an assessment of those costs and financial outcomes that would unambiguously demonstrate business value delivered through the use of IT:

"The weakness at the moment is the follow through. That is, the incorporation of the benefit into the operations of the Business. We just don't have this discipline at the moment. This can lead to false impression being gained of the value adding of a particular programme, or indeed, the success of the IS department in general. "[P$_B$]

As been noted earlier, the author suspects that it is the *accumulative* effect of satisfaction that builds the value-adding reputation of the internal service provider with its customers (Section 4.2.1 above):

"I think that most people would provide anecdotal evidence or opinion that whatever you get from IS: 'It is late, over budget and is under-specified.' This perception although unfair in many ways but is quite general." [C$_C$]

Satisfaction with a service is transitory. Being a state of mind, in time, developed from a specific activity, set of circumstances, or events, whilst the condition of the relationship is an historical perspective upon the activities of all the relevant social actors. A truer basis for evaluating the overall quality of an IT service provider, should therefore be the contribution of the ISO across an extended time period. That is, satisfaction with the on-going relationship:

"Even if there is a good relationship between us, do I want to continue with them (ISO) or do I want to look for an alternative provider? So, I'm therefore looking at a number of things: responsiveness, delivery to specification (to allow to give my buyers the products they want), timeliness of the delivery, at the right price." [C$_C$]

"If you start from a relatively low base for the perception the Business has about your value adding performance, then the first thing you need to do is to shift that perception. ¶P$_C$]

As will be observed in the discussion of evaluation (Section 4.5.4 below) the judgement of service outcomes can be difficult for all concerned. In part, this may be caused by inadequacies in the evaluative systems and/or clarity of responsibilities for the process and accountabilities for the delivery of the service benefits. Throughout the sample set, there is near unanimity with view that it is the customer who must manage benefit realisation:

"The person who is sponsoring the project is accountable for benefits delivery. One director said: " If I don't realize the benefits from this project I don't expect you to do another project for me.' ¶P$_B$]

"Benefits must accrue from every part or segment of the value chain, including those parts supported by the use of information technology "[C$_A$]

It may be that the ISO staff rate a service a success and therefore feel satisfaction in terms of technical achievement but the business may have a different idea. This is an example of the classical situation of a buyer trying to evaluate a service, which, in marketing terms, has 'low credence' value.

That is, where customer may be doubtful or uncertain about the criteria that could be used to make a judgement of an outcome or benefit:

"At the end of the day the customer has to feel that they are getting what they agreed they were going to get. Where all the difficulties come is that sometimes what they are receiving is not what they thought they were going to get, because they didn't think about it enough." [P$_A$]

"A high quality of service is more than technical excellence, if technical excellence is the ability to use the latest languages and to make a really whizzy system, it doesn't follow that is what the business wanted." [C$_A$]

A discordant interpretation of satisfaction might also be due to differing opinions about responsibilities for services. There may also be a general failure, by the ISO, to appreciate business requirements (Section 4.1.1 above). The converse, situation, the need of business to acknowledge technical constraints or limitations, is not well supported by data:

"In some cases it's because they (the customers) have moved to here from larger organizations and have not adjusted to our resource constraints." [P$_D$]

Divergent Case.

For this case, satisfaction is also a difficult dimension of service to define,.
Not least of the problem, as suggested by the normal cases, so much is in the eye of the beholder:

"I would say that they (the ISO) do keep to any contracts or agreements but it tends to be the letter of the agreement rather than the spirit." [C$_E$]

"The existing measures of customer satisfaction are not very good. IS and we need to know each other's key business objectives." [C$_E$]

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Whilst an issue for all the sample organizations, substantiating the ISO contribution to corporate success seems to be a particular problem for this very large and complex company:

" We do not get involved with benefit realisation: it is a point of some contention. We know that we are not good at it. For example, after a project we should audit what has been achieved against the initial benefits." [P$_E$]

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There are obviously a variety of customer views but the tone is generally sympathetic to the challenges faced by the ISO:

"I think it is up to the customers to push benefits realisation, because they are the ones that approve the original budget for the project..."[C$_E$]

"This is a huge hole but it's not just an ISO matter: it is for the company as a whole. OK, so there is no checking back but who does this?" [C$_E$]

"In general, I think we are quite hopeless when it comes to monitoring benefits." [C$_E$]

Summary.

Satisfaction is a highly important element of internal customer-provider relationships but paradoxically, quite poorly understood as a true indicator of internal service excellence and a contributor to business success. Whether or not expectations and evaluative criteria have been explicitly articulated, the ISO must continue with the identification, definition and continuous monitoring of views and feelings of the customer.

It seems to be the case that satisfaction is more standardised and generally accepted, where the power of the ISO and business groups is equitable and there is freedom of choice for both parties. Although the ISO cannot refuse to supply internal customers, often business areas also have little or no liberty to choose a service provider. For the customer, this constraint might also add to feelings of dissatisfaction with service provision and lead to a unilateral decision to seek relationships with providers, other than the ISO.

4.5.   Processes of Groups.

A service activity is considered to be the action of one or more individuals carrying out a process. Around forty different types of activity were found in the data. Data analysis and re-structuring reduced this number to eight, general role group processes. Each of these is discussed within this Chapter.

4.5.1   Agreeing (Appendix E1).

'Agreeing' of goals is within the general realm of decision-making but the evidence suggests there are actually two distinct processes involved here: identifying things to be done, agreeing, followed by the ordering of the goals i.e. prioritising (Section 4.5.7 below). In many ways, the coming together of the parties to identify common purposes must be the natural starting point for development of a service and, in a sense, the beginning point for the customer-provider relationship itself.

Normal Sample.

There is no more telling indicator of relationship status, than the presence of the provider at the point of origin for a business change. A lack of participation by the ISO at this, the earliest stage of service development, is source of discontent in the sample set but this problem is by no means universal:

"So we have processes, for example, for project initiation, that requires making a clear business case for the development. It isn't good enough for them to write out their requirements, hand it to us and expect us to do it.' [P_A]

"One of our problems is that we don't always find out as early as we should do about the future plans of the Business." [P_B]

"If go to some departments, I see IT does not get invited to anything – it is much more like the 'order-taking.' They come along, often at the last minute, and tell the IS department: 'Oh, by the way, we are doing this at the first of April, can you put the necessary system changes in.'" [P_C]

Service development agreements appear to be predicated upon a 'trade' of resources, information, favours and promises for enrolling those, over whom, overt power cannot be exercised:

Both parties needed alignment between, to understand what they could achieve within their respective business plans. [C$_B$]

"By planning properly you should be able to agree with the customers which of the requirements would not be part of the Prototyping/Build Stage." [P$_D$]

It is not always clear what aspects of internal environment and/or attitudes of individuals will influence, for example, the selection of competing projects. If the basis for negotiation is maximising gain for self, then difficulties may arise from the inability of a management process to separate people based issues, from technical needs. Some informants suggest that inadequate discussion, unstated assumptions and private misgivings at the goal identification stage, can subsequently give rise to a perception that the ISO has broken their promises. For example, with project delivery dates or required functionality:

"I think we are getting better about being up front and clear with the customers. To ask them for their plans, in the same way IS is required to produce a plan. So if there is a serious mismatch between the plans we know the project may well turn it out to be a waste time." [P$_D$]

In some instances, although it may be one role group that causes the 'problem', as with other social aspects of a customer-provider relationship the issue is often one of perceived intentional mutuality and reciprocity of actions:

"Although all the decisions are recorded and circulated, the executive concerned does not always communicate those decisions and the feelings behind those decisions, to the people working on their programmes. Sometimes, things are 'lost in translation!' [C$_B$]

We took a few areas of development out but these were agreed with us. This is where you see the problem but- it's a difference of perception about de-scoping. [C$_D$]

" At my level I think the IS staff do state what is involved with a request for a job to be done. If there is a problem they would say, 'we've got to do this or we have got that to do that' or 'this is the impact of the change." [C$_B$]

Divergent Case.

It might be assumed that the divergent case would have more difficulty in getting agreements than the smaller organizations but evidence is to the contrary. As a response to complexity this company and the other large organization ('C') have developed a well-structured and comprehensive process for identifying business opportunities.

"...a multi-skilled group is put together like a 'bid' team. In the past IT would never have been asked to join this team. This situation is changing. We are now there, at the start, to be able to help investigate the possibilities." [P$_E$]

"The account manager helps customers identity, prioritize and agree an IS portfolio to support their business vision, mission and goals." [P$_E$]

"...it's a two-way communication between them and IS so we know their plans and they know ours. These plans are communicated on a regular basis once a month to all our major customers." [P$_E$]

However, a highly structured process can bring its own problems. There is always the potential danger of bureaucracy and rigidity, interfering with the purpose of the whole exercise:

"IS usually proceeds on agreed requirements that don't say what if we did this or that - it hasn't really happened. In the sense of the question, the answer in 'no', in terms of is demonstrating a sense of responsibility outside the normal process." [P$_E$]

Summary.

The process of 'agreeing' the aims and objectives of a service is crucial for establishing a basic readiness for the parties to 'do business' with each other. Without this first step, there really can be little meaningful development of a customer-provider relationship. Indeed, in some companies, the importance of this process has been formally recognised as a key part of ISO management roles for developing customer satisfaction.

4.5.2 Assigning (Appendix E2).

The term, 'assigning' names the process of sharing the obligations associated with an activity. Similar to agreeing and indeed, all the group processes, the allocation of powers to discharge the responsibility and accountabilities for service identification, design or deployment is also conditioned by the understanding reached between those involved in the process.

Normal Cases.

"I believe that responsibility and accountability have to be tied together." [C$_B$]

"You have to believe that your representatives have the capability to act for you. If they don't have this you must empower them some other way." [C$_C$]

"At the end of the day if he or she fails - I have failed. We are there to help each other with our accountabilities." [P$_C$]

The communication of and the settlement of powers are consequential upon the establishment of goals and the definition of roles:

"One of the powers that have been delegated to us by the senior management is to act as a first stage filter on these requests." [P$_C$]

The need for goals to be clear and accepted by both the customers and providers is common to all companies in the sample:

"I see programme managers being empowered to make decisions along the way. If they become ambassadors, relaying information from one party to another, it takes all 'sting' out of their powers." [C$_B$]

'I think the account management team, whilst not responsible for the realization of benefits could help the Business Sponsor with this important issue." [P$_A$]

In the context of the 'assigning' process, interaction between social actors is most often concerned with the duty of the ISO staff to perform service tasks.

The power to discharge that responsibility is 'given' by the business area:

"Just having the title of 'Account Manager' can make a difference. People in IT do start to take on ownership of the problems and difficulties in the area of responsibility that they have been assigned." [P$_C$]

"We pulled these functions out and put them altogether to provide more customer focus. In the previous structure, a major issue was that there was no clear ownership about what was being put on the desktop." [P$_D$]

However, sharing of responsibilities does not always work out. So whilst the process should enable co-operation between individuals, in reality it can also cause disagreement and conflict for all those concerned:

"If somebody from Finance has gone directly to someone within IT then they haven't come through my team and I get upset about that. At times, I have tried to rationalize why I should feel this way. The way look at this is that my job within the Financial Systems team is to look after the interests of the whole of the Department." [C$_C$]

Naturally, the opportunity for political 'buck passing' by the supplier appears to be most prevalent in the larger organizations, including the divergent case:

"Although various sections of IS organization are specifically encouraged to work together there is still rivalry. I have no problem with this taking the form of competition between these different areas. The issue arises when there is a problem and people tried to distance themselves from ownership of the problem." [P$_C$]

Divergent Case.

The data here demonstrates a large, monolithic ISO may enable roles to be blurred and responsibilities confused. Accountabilities can also be avoided, since individuals can take refuge behind formalities and levels of hierarchy, with consequential impact upon customer perception of the provider:

"We do have account managers that work with senior management. They are informed about service matters but it does not necessarily reach us. Account Managers need to be visible and actually fully accountable to their customers." [C$_E$]

"It's a good point about the need for 'Accountable Account Managers', because mentally those that do the relationship management type job are held accountable (by our customers) for all the types of services provided by IS. [P$_E$]

'I'll outline a problem or issue with them and ask: "Which of you owns this?' They will each reply: 'He does!' I'll reply to them: "I don't care who owns what: I just want to solve this problem for the customer!" [P$_E$]

Summary.

For all the sample organizations the data points toward four different conditions for the process of assigning responsibilities and powers:

(i)   Firstly, where there is little incentive to share. Individuals or groups are encouraged, or at least not dissuaded, from taking essentially a self-interested approach:

"I think there is a fundamental weakness in any model that puts people in a role such as an account manager: the rest of the IT people get distanced from the business, and can easily abdicate responsibility." [P$_B$]

"Although we try to empower them, at the end of the day they are dealing with other managers and each of these believe that they are speaking for their department." [C$_D$]

(ii)   A second scenario is where lack of accountability has been recognised as an issue:

"The IS Department must become more accountable for the money they spend." [P$_D$]

"If IT is not performing the question I asked of them is what can we do to help you to improve. For example, we have had some serious service problems that we asked to be resolved. They did not take or seem to take a proactive responsibility – it's more reactive." [C$_E$]

(iii)   The third set of conditions represents a common situation for the ISO. That is, a high degree of responsibility and/or stringent accountabilities but limited power and influence to meet the demands of the role:

"We have a number of 'process owners' who represented parts of the Business. Instead of talking directly to a 'user', the developers dealt with these process owners who are in essence business analysts within the Business. I think some people felt the loss of this role." [P$_C$]

"You set out a strategy for the programme manager to work within. It's not good saying to someone: ' Mr. or Miss Programme Manager, you are going to run this programme but I don't want you to make any decisions without checking with me as the sponsor.' Or, alternatively, 'if you get any hassle from the departments, back off and come and see me.' " [C$_B$]

(iv)   Finally, there is perhaps the 'ideal' position, where sharing of power, responsibility and accountability are in balance between parties:

'So when we came along and said that we want to do this work, they evaluated the idea from a position of knowledge. It's their choice. We said to them: "You've got to own this." They said: "Good we want to own it!"' [P$_C$]

"There is a growing acceptance in the Business for accountability for projects but not necessarily responsibility. There are some things the 'users' can't do; nor should they." [C$_A$]

4.5.3 Envisioning (Appendix E7).

The development of a clear view of the future - what might, or might not be possible, significantly contributes toward building empathy, mutual respect between the parties and the feeling that they stand to gain something from each other. These themes contribute to the process of 'envisioning.'

<u>Normal Cases.</u>

"I would like to view the ISO like that. So that they should be involved, for example, in product development and business service levels discussions. " [C$_B$]

The action of creating a vision is concerned with the development of an overarching perspective, philosophy, or inspirational idea:

"I certainly think that we operate in a quasi-commercial market within the organization, though I'm not sure whether everyone sees it that way " [P$_B$]

"I believe that we have now convinced even the most hardened of cynics - even the 'techies' who are starting to see the value of relationship management." [P$_C$]

"My ambition is that we are talked of in the same breath as an Actuary or Accountant." [P$_C$]

Building a vision is part of the leadership ISO or for that matter, a customer area. Here we are not only talking about the identification of specific objectives for a role group but also a broader view of the future, realised through a strategy, within which, the IT professionals play an equal part:

"Leader " has more of a flavour of getting the best out of people; more steering them toward the objectives. A leader enables them to achieve these goals." [P$_C$]

For my area, 'leadership ' as such is important. Essentially, it is a matter of coordinating people. Describing what is needed and letting them get on with it. [C$_D$]

Envisioning, is the term used for the process that contributes toward the relationship, by supporting the coalescence of the longer term aspirations and imperatives of customers with those of the provider:

"Our aim is when the Business has a problem, IT is part of the solution team." [C$_C$]

Our aim is to be considered as part of business; so it shouldn't really matter what name is used. IT is just one part of the whole, aiming to produce a product." [P$_B$]

"... each participant (in the workshop) explains what their personal vision is, exploring what it is need to get to it and who should be involved to realise it." [C$_C$]

From the ISO standpoint the development of a common vision supports the idea that IT service can help the 'bottom-line' and the survival of the company but this may not necessarily be the view of the customer:

"Some IS/IT people ask: 'Is our job is to provide a service?' I would ask them, is that the Motor Underwriter's or the Actuary's job to provide a service? No, they make an overall contribution to the business." [P$_C$]

"Each of these areas has their own contribution to make to the whole but they are seen as part of that whole; at the moment IT isn't." [C$_A$]

An important characteristic of the vision, or mission, is the clarity and attainability of that ideal – the practical chance of realising that state. The divergent and one other large organization may have the resources and capacity to develop recast their vision - to change their own fate:

"Looking toward the situation within the next few years I see a possible future IT organization, where you have a small core group of excellent in-house people, paid very high salaries. The people that are not so skilled might be squeezed out between these in-house experts and the contracted resource." [P$_B$]

A second aspect of a vision is the extent to which it is truly shared: that it has meaning to all parties and yet provides a framework for an individual to locate their own purposes and agendas. The extent to which there is commonality between customers and the provider will influence the development of affective expectations within the relationship and vice-versa:

"For me there are no real problems working with highly technical people but you've always got to take them along with you." [C$_D$]

"The danger is that if you are viewed as a cost you are managed as a cost. I therefore try to convince people that we are not a cost but an investment. We should be managed in those terms. One of the approaches I used when I was in the business area I was this change of perception from IS being a 'cost' to us being an 'investment.'" [P$_C$]

The presence of an external challenge (see Section 4.3.1.1 above) can also have an effect upon vision, since it is should be a precursor to an agreed strategy, or general policy that unites the parties. However someone, or some group, must recognise and then articulate the need for change:

"If the IS director left it could put the whole thing in question. He persuaded the Business of the advantage from their active involvement in projects." [P$_C$]

"Y2K is perceived very much a business issue. It's not an IT problem." [C$_B$]

Finally, although a shared vision, mission, or overarching idea might exist, it could be poorly communicated, or otherwise be distorted, by the prevailing climate of the organization. This appears to be an internal political problem for both customers and providers throughout the sample set:

"Currently, there is lack of clarity about our plans and although there are measures being taken to address this issue these have been knocking around now for almost a year and they are not getting the management focus they need." [P$_B$]

"In the past it has been true that the number of layers of management may have prevented the message getting through about service levels. It get would to a certain level and not flow through to the staff and the customers underneath that." [C$_C$]

Divergent Case.

A future vision for IT services is obviously just as important for the divergent company as the other four. What is puzzling, is that although the necessity is recognised, there was limited mention by any informants from the divergent company of leadership and its salience for future success of the ISO:

"For the future, one of the important goals for account managers is encouraging this development across the separate business areas." [C$_E$]

"The culture of service does not always come through..." [C$_E$]

"...changes we have been talking about cannot be driven from the bottom upwards - you can try but the leadership will come from responding to that pressure [C$_E$]

"They must be seen to lead and if they can't do it they should be moved to a purely technical role." [P$_E$]

"To create the environment where something does happens; that requires strong leadership!" [P$_E$]

This may be due to failure in the collection of data, or a genuine lack of leadership throughout the ISO and maybe, the whole of the business itself.

Summary.

The extent to which the various role groups are able to move toward a clear, realisable, unifying idea, effects the level to which the individuals will commit to an joint enterprise, project, or service initiative. A *mutual* sense of identity and direction is a prerequisite for co-operative activities within the customer – provider dynamic. There is insufficient evidence in this study to identify all critical success factors for ensuring the vision is developed and conveyed effectively. However, strong leadership, shown by both ISO and business executives appears to be vital for motivating development of the relationship.

4.5.4   Evaluating (Appendix E8).

Whether carried out by internal customers, or by the ISO, the act of placing a value on something (evaluating), is about what is delivered by the provider. Value is a perception of outcomes, within the context for that judgement: value is always relative dimension of a service - not an absolute.

Normal Cases.

The data suggests both factual and anecdotal sources are commonly used to evaluate a service outcome. Suprisingly, financial measures are not universally employed as the main success criterion. This finding, which applies to all the organizations, including the divergent case, is quite incongruous in light of the management efforts devoted to making the original decisions about investment in new IT services (see also Section 4.5.7 below).

The smallest organization in the sample ('D') has yet to put in place even rudimentary management systems for judging service outcomes:

"We don't really know how well we or, the systems are working. As far as we are concerned, they are working fine but maybe they not really be that good!" [P$_D$]

"Although there will always be a need to account for IT costs it has been recognised that all this effort concerned with internal monitoring and analysis is diverting the Business Managers from more productive work." [C$_D$]

"We have just started as a department to run regular surveys, across the piece, to get peoples" views generally about matters, such as, do they think that the projects that have been implemented have added value to the Business. This is part of an attempt to get a holistic view of what has been done." [P$_D$]

The sophistication of measurement systems and ways for propagating results affect confidence in the approach used for service quality evaluation:

"Parts of the Group differ in the extent that they measure 'user satisfaction.' One company has a sophisticated system. Another decided that it did not need an IT services customer satisfaction index – there were much greater problems to be addressed!" [P$_B$]

Furthermore, the ISO informants were also concerned about the bias of individual customers:

"I not totally convinced that the customer opinion is the best way to judge service quality. I think this comes back to my earlier comments about expectations." [P$_B$]

"If customers assess the services provided, it's subjective but it is the only measure that we have got for the end user - what they are getting is what they want." [P$_C$]

Another IT department needs to be persuaded about information quality and the efficacy of the evaluation process itself:

"We produce lots of statistics but we have to find better ways to present these figures. They must be meaningful and really believable, because what we report about a service is not necessarily how the customers perceive it. The gap may be down to what we are trying to measure or the quality of data." [P$_C$]

Service evaluation has another, longer-term, application. It is to aid the construction of a base of information that can help the development of those processes influencing the ISO's reputation with the business:

"An analysis of service failures is always undertaken. If the customer feedback is good then they are praised for it. Follow-up depends upon the seriousness of the problem but there is always a failure review with the key IS/IT people, when we go through a process of seeing what we could do better next time." [P$_A$]

"One thing, for example, we have done recently is to address the problem of our record in PC installations for which we have had a bad reputation." [P$_B$]

"The whole set of processes is itself subject to process improvement. You keep raising the hurdle, again and again!" [P$_C$]

Finally, although there maybe limited trust of *internal* evaluative systems, see Section 4.5.8 below, there is stronger support for the use of externally validated tools, for example, benchmarking:

"When you are a cost centre and people say that you are too expensive: benchmarking can be a powerful way of responding to criticism." [P$_C$]

"It's good to have something to gauge yourself against; an external benchmark." [P$_A$]

<u>Divergent Case.</u>

Company 'E' presents some interesting contrasts: between the acceptance of evaluation in the sense of assessing the technical performance of a service and secondly, as a general management discipline for judging the overall contribution of the ISO to the business.

The former may help to strengthen the customer-provider relationship:

"You've got to be open about your services you provide and if something is not up to scratch we have a duty to fix it. The next time we do our survey of performance against our SLAs, we will be looking for improved ratings, for example, with regard to our responsiveness." [P$_E$]

"The question of a realistic picture of what can be expected comes up in disagreements about interpretation of our service results. Some customers say: 'that's not my view of it' and thus in the customer survey they make observations accordingly, but there is often little disagreement about defined service areas." [P$_E$]

"I've had questionnaires from IS have been very few and far between. It has happened. For example on one recent project at the end of stage reviews questionnaires were sent out and we had a workshop discussing the outcome - this was very useful and successful." [C$_E$]

The latter form of evaluation is, at best, shrouded in some confusion:

"After the project- yes all very good in theory for post implementation reviews, unless they are quite obvious and tangible. For example, we have just put in, a complaints monitoring system that was very obvious from statistics that the number had reduced. We will audit this sort of project because it is something we can shout about!" [P$_E$]

"In general I think the company is quite hopeless when it comes to monitoring business benefit realisation." [C$_E$]

Summary.

In a close, working relationship, it is important for both the internal provider and customers to learn lessons from the past to plan the future. So, although evaluation is essentially from the customer perspective, all parties must see the outcome of the exercise as fair and reasonable. Evaluation features within every organization within the sample set, yet this process, which closes the service life cycle, appears difficult to manage well.

There is a whole spectrum of evaluative processes within the sample set. From little penetration within a company, where even of the idea of evaluation is yet to take hold, to the sophisticated internal quality and external benchmarking regime operated by the two largest organizations. However, it fair to say that the political overtones of evaluation and the practical difficulties of dealing with large scale operation complexities have inhibited truly effective, organizational evaluation of IT services.

Evaluation can give an insight into the success of a specific service but just as important, a internal service provider can also exploit evaluation as a means to develop credibility with their customers:

"The project manager should be carefully managing this and my job is to ensure that they do it. They can see that you are adding knowledge and experience to help them. So that the next time they do it they might do it better." [P$_E$]

However, if not carried out well, evaluation can also damage the relationship, since bias and misunderstanding may enter the debate and obscure the validity of the outcome:

"Opinions from people that are well informed are vital; they are essential. You've got to have them but they are not enough on their own: they are necessary but not sufficient." [P$_A$]

4.5.5 Participating (Appendix E10).

Participation is about co-operative and collaborative activity: in essence the sharing of service tasks between internal customers and IS professionals.

<u>Normal Cases.</u>

The roles and responsibilities of the individual, or more accurately, his or her interpretation of these, will be the main influences upon the participation:

"Involvement in systems development is very much part of my job." [C$_B$]

"If one of the key project stakeholders is not participating then the executive manager (of that person) at the PME meeting would need to highlight this." [P$_B$]

General organizational factors, such as business strategies and cultural norms will also play a part, particularly with regard to support for the deployment of skills, knowledge and experience:

"Over the last two years, since I've been here there are some business functions which have really become 'switched on.' There are others are operating in the old way: wanting IT to deliver the system without putting the effort in." [P$_A$]

Effective management systems for supporting collaborative and co-operative work activity is an ingredient for success:

"Team working is now important within the Business and that' s why we had to return to using techniques, such as Joint Application Development for projects." [P$_A$]

The attitude of a person toward active participation in joint activities is also crucial and can be changed through education and facilitation:

"We have spent a great deal of time and effort explaining to the business why we need their full participation in projects." [P$_C$]

"It's the people, working together, that makes the difference. It is not the systems that are operating behind them." [C$_A$]

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Another element is the extent to which the necessary 'permissions' and appropriate decision making powers have been ceded or are already available to individuals, so that they can carry out their tasks. Thus, the assigning process (Section 4.5.2 above) will affect the level of participation by allocating responsibilities and accountabilities to roles:

"There is a level below which you cannot devolve power, because you need to know about so many things that are going on that might effect the task in hand." [P$_B$]

"You have to believe that your representatives have the capability to act for you. If they don't have this you must empower them some other way." [C$_B$]

Timing is also crucial for demonstrating those behaviours that are consistent with a professed commitment to the service:

"What we have started now is a lot of RAD, which has got very intensive periods followed by a periods when involvement drops off and then it starts up again. Perhaps this form of development will be easier for them (the customers) to schedule." [P$_A$]

The critical factor, however, remains the priorities of the individual participant:

"What we can find is the situation where you have a number of key players from the Business, who, because they are good, tend to get involved in everything. Of course they can't do everything and therefore their time availability is limited. You can therefore end up with a situation with projects contending for the same people." [C$_D$]

"Its not just an IS resource problem. We've seen things the other way as well. When for example, we ask the customer areas for staff resource to do user acceptance testing; we have been told that they don't have people to spare." [P$_D$]

Divergent Case.

There is little variation for this case, compared to the normal set, with regard to the importance of active participation in common activities and the concomitant problem of shared commitments:

"Some parts of the business behave very differently toward us. The external customer services area will support us wholeheartedly: they will work with us in true partnership." [P$_E$]

"If we do get the people it's part-time or an hour a week. What we have started now is a lot of RAD which has got very intensive periods followed by a periods when involvement drops off and then it starts up again. Perhaps this form of development will be easier for them to schedule." [P$_E$]

However, only in the largest organization is the encouragement of customer participation *explicitly* acknowledged in a service role:

"The job of an account manager includes understanding the customer's business and anticipating their needs, through involvement in customer planning, management processes, and a demonstrating understanding of the customer business." [P$_E$]

Summary.

Participation has long been thought as a vital ingredient for the success of an IT project, or other service development activity. The data indicates a range of variables influencing participation. These factors maybe global, such as corporate norms and job structure. Others may be local in nature, particularly the forms of motivations relevant to an individual.

Interplay between conditional factors and the particulars of a service will help to determine nature of participation. Specifically, it is intuitively reasonable that a customer will have a more positive attitude to an IT service if they have collaborated with the provider in the design of the service.

4.5.6 Performing (Appendix E11).

Performing is the process of delivering a service, through the execution of tasks undertaken by individuals.

Normal Cases.

The quality of service depends upon what the provider understands about customer needs, wants, the resources available and how they are used:

"...they (the users) have had the best of everything. We have gone out straightaway and fixed for them. Now things have changed, there's been so many changes, we have grown so much, we now can't continue to give them this 'Golden Service.'" [P_A]

Performance standards may be set out as promises that maybe formalised as a 'contract' between the provider and the customer. This contract can be an operational service level agreement (SLA) or a project charter and is likely to include both explicit and implied performance objectives.

Whilst technical quality, the 'what' of the service, is obviously important, it is only half of the picture. The functional dimension, that is the 'how', is also essential to the customer's judgement of satisfaction with the service outcome:

"It's those operational matters we have talked about already. For example, delay with the installation of a PC. It's arrived and doesn't work. Or even worse, it hasn't even been unpacked! Without spending a huge amount of money we could improve the service we give to our customers." "[P_B]

An individual's view of an IT service will depend upon the specifics of the task and the contextual factors. The latter set are those alluded to in Section 4.5.5, such as technological environment and organizational structures:

"We try to discourage customers asking for a specific person to fix their problem because it should be your processes that drives you to a solution. You shouldn't end up relying on an individual to fix things because we should be able to send out someone with the right skills to do the job." [P_C]

The specific characteristics of a 'good' service for retail consumers have been debated for many years. As discussed in Part One, research supports the view that most of these criteria also hold true for the type of technical and professional services provided by the ISO. The data from this study confirms the elements of a service that most please, or cause irritation and disappointment to the internal customer. The evidence is that the factors discussed below apply to all the companies in the sample set, including the largest organization; that is, the divergent case (but see below):

(i)   Accessibility of the I.T. Service.

"Since we have been taken over, we now have piles and piles of paper just to get one small system enhancement done. A two man-days - job takes four man-days of paper work and estimation." [C$_A$]

(ii)   Assurance of I.T. Service Risks.

"I will find myself going back into the project. Not because the project team can't deal with the issue, it's just that often they need to move it forward with and the customer will ask that I be involved. I suppose it's a form of comfort for them." [P$_C$]

(iii)   Competence of I.T. Service Staff.

"Sometimes, users get annoyed when we say we don't know enough to fix problems. For example, we we've had some problems with Visual Basic or extending the use of Word. We told them: 'we don't know about this. If you want the problem fixed you'll have to pay someone to come and do it.' "[P$_D$]

(iv)   Courtesy of I.T. Service Staff.

"Certainly, they are courteous in their dealings with us. This is a positive change from some time ago when system people seemed to think they were gods!" [C$_A$]

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(v)   The Empathy of I.T. Service Staff.

"To say they are 'obstructive' is too over the top but some are certainty not forthcoming in helping you. If you wanted to use a word I would say it was 'casual.' There are others who can't do enough for you. It's the same people who don't appear to be sympathetic: it' s going to be the same ones that come through each time". [C_C]

(vi)   Flexibility of the I.T. Service.

"We also tried to look at the 'account.' to get a rating, satisfactory, or unsatisfactory for say, 'flexibility' in our approach to the provision of solutions." [P_C]

(vii)   Responsiveness of the I.T. Service Staff.

"...manage this sort of request by saying: ' yes! yes!' and then ignore them (the customers) - as long as they eventually go away! Some of them just keep on coming back. In our area is quite because often we can refer them to someone else." [P_D]

(viii)   Tangible Elements of the I.T. Service.

"I think that there isn't really any packaging of systems or services. For example, (Microsoft) Outlook was put on my laptop. To get any information about Outlook was a problem - it just appeared. I had no real knowledge that it was going to come and there was no information about it. There was no training course and no booklet." [C_A]

Tangibles might be thought of as the 'packaging' of the service. These include documentation and end-user training. This element of an IT service can cause dissension between the parties:

"Training continues to be an issue in the provision of IT services. I'm very conscious of addressing this issue by making sure that the people who are involved in the project, get hold of the documentation, undertake training on the system and I then ensure that they pass that knowledge down." [C_A]

"The main reasons with get problems with the IT based services is infrastructure/networking problems, though some is down to lack of training." [C_B]

Each and every case study organization takes a slightly different view about the training of customers to use IT services but why training is a particularly contentious aspect of service delivery is not totally clear. It appears to be due to ambiguity in customer-provider roles within the service delivery process:

"Whilst I would not want IS people training insurance clerks, (what do they know about a clerks day?), it would be good to see some more responsibility taken for the training function." [C_A]

There is a lot of kit on those PCs which people don't know how to use properly. We get asked the question: 'what do you want training on - and I reply, 'I don't know!' I would like to change things but time is the issue. [C_B]

"Although we get the documentation with the latest release of the software as for one-to-one training we don't get that. Sometimes it seems to be loaded into your PC and then it's down to you as an individual to learn it." [C_C]

"It seems to be the responsibility of the business area to train people to use a new system or service and I think that is a mistake." [P_A]

"Here it is not the responsibility of the operational service area to train customers to use an application; this is the remit of the developers." [P_C]

"A lot of situations where IT falls down is when we've got all our resources and are geared up to deliver this thing and only then we say to the customer you need to get involved now to do, say, training workshops. Then they go, "Oh!" [P_D]

The author infers from these comments that internal customers have grown so used to the supply of 'shrink wrapped' software, for both local and corporate systems that it is not sufficient for the ISO to just provide the core product, viz. the application software. The minimum acceptable level of service represents a higher standard compared to that of the past. Thus, in some instances, customer expectations have been raised to levels that may exceed the ISO resources that can be devoted to service delivery.

Divergent Case.

Performing a service is a universal activity, so there is little difference between the divergent case and the other organizations about what and what does not, characterise a 'high quality' IT service:

"One, (survey), conducted eighteen months ago, concluded that the customers mainly wanted two things from our services: reliability and responsiveness. In this context, responsiveness, was reaction to their needs." [P$_E$]

" I want them to have the 'product' that has been delivered to them on time; within their budget and with a quality they expect. If we meet those three criteria than I think the customer will be really pleased. "[P$_E$]

"They (IS) are very good at ticking boxes to say that they have succeeded but what you were trying to achieve has not actually happened. This is not necessarily their fault, since they got the tick to say, 'yes', the system has been implemented but it didn't do what the Business wanted it to do! "[C$_E$]

The evidence from the divergent case indicates that the more complex the business or the dynamism of the external market, the harder it is for the ISO to deploy the range and quality of services demanded by their internal customers:

"The organisation has completely changed but the new structure has not been communicated very clearly to us - we don't fully understand things. At the moment they are certainly not initiating feedback at the end of stage deliveries." [C$_E$]

"Client/Server has also caused changes in the way we that support the operational service, because often the technicians have to visit the customers and these (relatively) junior staff become your shop-front to the IS Department, since you can't always send your most experienced people." [P$_E$]

Summary.

Performance naturally affects the judgement of service value, with the emphasis overwhelmingly weighted toward the obligation of the ISO to deliver to other parts of the business. Changing technologies, rising customer expectations and increasing business complexity can have a negative impact upon the ISO ability to deliver IT services to their customers. Although, with some activities such as, IS requirements definition or user testing, the business areas are, in a TQM sense, 'suppliers' to the ISO, there is no evidence of reciprocity. That is, the business work-groups managing the performance of *their* services in ways similar to the ISO.

4.5.7   Prioritizing (Appendix E12).

The making of decisions about the relative importance of each IT service, builds upon the negotiation of shared goals. Like the 'agreeing' process, the ordering of needs and wants of the customers is predicated upon both the economic and political agendas of the relevant social actors.

Normal Cases.

Prioritisation means choosing how resources, or all types, should or could be distributed across a number of competing opportunities. 'Trading' between individuals is similar to that employed in goal identification process:

"In theory, the department sets the priorities for systems work. The account manager 'brings to the party' some ideas on the feasibility of the different choices available but the final call is with us, the customer." [C$_C$]

"So I think the idea of Account Managers is quite good but only if they genuinely represent the team of resources available to work for the customer and can talk immediately and directly about the priorities of the customer." [P$_B$]

Although is not always true, investment decisions, about for example, which projects are to be undertaken, are likely to be constrained by limitations in the supply (ISO), rather than the demand (customer) side of the relationship:

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"We have x number of people in the development area that is available to us for projects and enhancements. What we have to do is to prioritise our demands to set against that resource. I think that it works reasonably well." [C$_B$]

"We are able to group people who say, don't use a lot of IT resource but they need a reliable, cheap service or another group, who need sophisticated and clever applications – for which they are prepared to pay." [P$_C$]

"The demand side of the business has now starting to get control of the requests for work. They prioritise work by saying that is the amount we want to 'consume.' What we have always done in the past is to control supply by specifying certain numbers. The supply is still controlled by certain numbers but with a caveat now." [P$_A$]

Steering committees, or other groups of executives, often make choices about IT service. The divergent case company and company 'C' also include IT account managers in decision-making, to help the balancing of customer service demands with the resources available from the ISO:

"Everybody round the table gets a full opportunity to discuss all the issues. These include doubts or opinions that your project should have higher priority. These meetings are an opportunity to air these things." [C$_B$]

"The project management steering committee is composed of executives. Although all the decisions are recorded and circulated, the executive concerned does not always communicate those decisions and the feelings behind those decisions, to the people working on their programmes. Sometimes things are lost in translation! " [P$_B$]

The author was not privy to the deliberations of these prioritization bodies. Therefore, it was not possible to know the extent of conflict or how consensus was achieved. The informants' view is that whatever approach is used, it should be a logical, visible and ultimately, a *credible* exercise:

"We've had a prioritization process for years but people say it doesn't work. When I ask them, why doesn't it work? They replied it was because the process doesn't produce the result that they wanted. So for a prioritization process, a measure of success is does the business feel that the result is fair and equitable?" [C$_B$]

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"The priorities of one person may conflict with those of another. Then comes back to having the right on-going prioritization process. If you are looking at matters regularly, you are able to look forward to what is coming up." [C_C]

"'If you don't have a prioritization process, you either juggle a lot, ending up not doing anything very well and that upsets almost everybody. Or, if you do some picking and choosing, inevitably someone will ask: 'Why have IT decided to do it this way?' You not only disappoint a few sponsors but because the decisions are being made by the IT Department, all the sponsors are going to think – 'That's not right! I've got what I asked for but was this because I shouted loudest, or was prepared to pay more than the other business areas?'" [P_C]

An entirely objective process can use relative 'cost-effectiveness' as the basis for prioritization but there are implementation problems to be overcome:

"From an infrastructure point of view it is sometimes very difficult to build a cost benefit case, because with an infrastructure of the service being provided to the customer is the business application." [P_C]

The business environment, within which both the internal customers and provider must operate, will set the background for prioritization. The ranking of services must necessarily be contingent upon structures, accounting policies, strategy and other, organization-specific, factors:

"So we have quite a lot of criteria we use to score a project. The one we are focussing on first is the outturn in financial terms, since this is the easiest and the most appropriate in the present business climate." [C_C]

"The process of project selection and prioritisation is now beginning to work. I would not like to see a situation where we rank projects one to twenty in terms of perceived importance. The situation has to remain fluid." [P_B]

The extent to which the objective route is followed, is as much do with the judgement of individuals, as the existence of all-embracing corporate standards, specifying how the way costs and benefits should be assessed:

"We don't charge out so the cost of the work we request IS to do for us is not generally known. I would welcome this happening: it would make us think do we need it? I would like this principle to be followed throughout the business." [C$_D$]

"They (the Business) would obviously go for the best and biggest thing they could think of - they don't tend to look at the money side." [P$_D$]

A danger with prioritization is that it can be a political arena for the misuse of individual or positional power. So, although the outcome may appear to be optimal, the process of reaching those decisions can damage relationships:

"This general perception of "unfairness" about how the prioritization process worked lead to some of these negative view being held about the IT department." [C$_C$]

"They would say: 'my internal IS people say this will cost me 'x' pounds to do this and it will take y months - what do you say?' Naturally, the external providers, like most consultants, will give lower figures!" [P$_B$]

Another problem is where customers bypass the prioritisation process. The data doesn't report what penalties or sanctions, if any, are attached to these 'self-seeking' behaviours:

"We are trying to get more and more from IS, by bending every rule in the book that prescribes the 'right' routes. We just want things done!" [C$_C$]

There are some managers who understand the strains that you are under but there are others who say: ' I want this because who I am and I want it now!'" [P$_D$]

Divergent Case.

The divergent case clearly illuminates another aspect of prioritization not discussed so far - the management of operational IT services:

"I use my knowledge of the customers to talk with the IS team for priortising their work for my customers. Here, again responsiveness is key." [C$_E$]

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In particular, the data for this company shows that the priortization of these apparently minor tasks can also have wider, political implications:

"The normal high priorities for the help desk would be for critical problems; ones that actually stop the business running. That is, as it should be but there some tasks that should be treated similarly because of their highly political nature. Simply applying the help desk type rules would mean this task being put the bottom of the list!" [C_E]

"Some of the issues for IS and the Business have not been resolved by the appointment of account managers. One of these is the continuing belief, within some parts of the Business that they were not getting their fair share of the IT projects, or their requests were being put to the bottom of the pile." [C_E]

"It's not always the fault of IS; sometimes we are driven into a corner. There is a very good example of this going on at the moment. There was a big problem last year and it was something that actually goes in front of the Chief Executive. During the course of dealing with this problem the team were being threatened with: 'If you don't deliver this, he will know about it!' That form of coercion is difficult to manage." [P_E]

"They know the right way to do things is for it all these to come through me but customers behave like that. They contact someone they know and ask them: 'Can you do this little job for me?'" [P_E]

Summary

Pure rationality, implicit in the microeconomic view of an internal customer-provider relationship, seems necessary but insufficient for internal service priortization. This process, together with that of agreeing and assigning, might be better understood as trade of resources, power and influence within a 'market' defined by both organizational climate and individual agendas. For all the sample companies, financial cost versus benefit is part of the customer-provider equation but there are other elements involved. These include knowledge, favours and political advantage, gained or lost.

4.5.8 Promising (Appendix E13).

The final process category is the giving of an assurance or pledge about a service. This, the act of 'promising', creates or reinforces an expectation that a task will be completed, or a resource, such as people or time, will be provided (committed) to a service.

<u>Normal Cases.</u>

In the discussion of 'performing' (Section 4.5.6) mention was made that promises about new I.T. services are often articulated in a terms of reference, project charter or baseline document. These stated intentions subsequently affect customer perceptions about the quality of service actually provided:

"If they (IS) don't deliver what can you do about it? [C_A]

"You can also get the project manager who thinks something should be done in the requested time-scale. So already you have built an expectation." [C_D]

"If I go back to the customer and tell them the problem can be fixed within a week, this will be fine but let's make sure it is fixed by the time promised." [P_A]

"We try to give a realistic picture of resource need to meet service requests. Though it's known in the IS Department that almost everyone under-estimates, particularly with timings." "[P_D]

The ISO must therefore be careful about promises made, whether explicit or implied. The data suggests IS staff make these promises to their customers at two stage of the service lifecycle:

(i)   Firstly, when establishing mutual obligations, in terms of how the IT service will be designed to meet agreed goals:

"So expectations about what we can do are set in a number of ways. There are those within individuals heads, and then there is also the planning exercise at the beginning of the financial year." [P_B]

"If we get the requirements clearly defined at the front-end, the IS department can then say: 'We can do that.' If it's not realistic then they should be turning round and saying: 'What is wanted is not possible in the required time scale.' Maybe they are afraid to say 'no.' " [C$_B$]

(ii)   The second type of promise concerns how a service will be delivered. Here, SLAs are widely used to specify, in detail, the quality standards for the operational service. The sample set includes different views about the effectiveness, utility and success of SLAs. It is fair to say that for all the sample organizations, some informants are not quite sure whether SLAs are signifiers within a customer-provider relationship of trust, or otherwise:

"I think their (SLA) success depends on a number of factors. How open your are, what your relationship is with the people involved and over what period you have built up that relationship. Personally, I'm a great believer in Service Level Agreements, as long they are correctly focussed." [C$_C$]

"I'm not totally convinced about SLAs. They can be looked as a protection mechanism. The service provider will always strive to make the customer happy, regardless of what is the specified level of service documented within an SLA." [P$_C$]

Apart from the difficulty of 'enforcing' contracts in an intra-organizational context, another reason for some disquiet about SLAs is that they often only state the obvious expectations, aspirations and objectives of the customer. However, as discussed in Section 4.1.1, 'expectation' is portmanteau word, covering a wide range of unstated and difficult-to-define elements. These are based upon previous experiences, needs and aspirations that have been internalised as personal meanings. The circumstances of the promise are also important, since the interplay of both corporate and personal level factors conditions the promise-making process, as explained below.

(iii)   There is a common problem with promises for all forms of customer-provider arrangements. This is the natural tension in relationships caused by the tendency of the provider to drive the service provision toward *efficient* operation, implemented through generalization. This need opposes the counter demand, from customers, for *effective* solutions, tailored to their individual needs as a 'consumer.'

"There is an efficiency driver here that says it's best if you have relatively few people in a central group providing a low cost service to thousands of people. The problem is any individual customer may not seem important to that group." [P_C]

These arguments impinge upon the tangible elements of a service, discussed in Section 4.5.5 (above). For example, training is a facet of customisation that can often be requested by the customer but contradicts the service provider's imperative to supply a low cost, 'mass' solution. In addition, there may also be inadequacies within the management systems used for communicating promises. Individual agendas will also affect how well these systems operate in practice:

"You need a mature partnership to make the best of SLAs. They are essential for management of service but they can easily lead into nitpicking meetings. You can quickly get antagonistic into defending positions, rather than trying to reach an accommodation between the parties." [C_A]

"One thing we are working one at the moment is publishing our set of service levels for the customers, so there is always something there they can reference. They should know more what to expect for that service. So we are trying to set them (expectations) that way." [P_A]

"In general communications with our customers are good but at the same time there are instances where we don't do it very well. For example, we communicate in advance known outages, or weekend service availability. At the same time, some things do slip through the net." [P_D]

(iv)   The second set of conditions is generated from the personal situation of the individual(s) making the promise and those receiving those assurances. Some ISO professionals may not have the interpersonal skills, knowledge or the appropriate style of working necessary for making clear and realistic promises to the customer:

"It's a generalization but there are those in IS who tend to be quite arrogant but also demanding of themselves. The down side of this is unrealistic estimating: 'We should be able to deliver this in two days', for example, when they know that it just can't be done in anything like that time-scale." [C$_A$]

"My personal experience is that some of the people that come to see me are not professional in their conduct and some false promises are made." [C$_B$]

"If you have built a relationship and there is no intervening factors that explain why you cannot do something or you start to withdraw from the delivery of your promises you will loose trust." [C$_C$]

"There are some people who are careful about setting expectations. There are others who don't think about it and just go over the top." [C$_D$]

Divergent Case.

This case illustrates that effective service definition and performance assessment can be very difficult across a complex and extended supply chain. 'Promise management' represents a considerable challenge, even though the company makes extensive use of formal agreements and contracts for delivering both internal and external IT services:

"People can get false expectations. I think this is down to communications. When you go to someone and they ask you when they expect something to be done, maybe you've had to hand on this problem, or issue, to someone else and result of your inquiry is not passed to the customer."' [P$_E$]

Again, feelings about these agreements as mechanisms for monitoring promise keeping is decidedly mixed, reflecting the different experiences and roles of the informants:

"The worse thing you can do is to churn out an service agreement and then do nothing about it. Furthermore, the SLAs must also be in language that the customers can really understand." [C$_E$]

"...we are using them to drive the dialogue with the customer; make sure that there are people who really feel that their jobs are to manage those agreements. [P$_E$]

Evidence from the divergent case reflects the views recorded elsewhere that reliance on procedural correctness and formality can harm relationships:

"The SLA is just a tool that gives you some measurable. In a way this is starting back to front. You don't start with a SLA and conclude:" This means the relationship with my customers is OK!" If the relationship is unhealthy and poor, they won't trust you. Writing a SLA will make little difference to this!" [C$_E$]

Finally, the promise-making process is probably only truly effective where there is reciprocity of obligation and commitment. Few SLAs seem to reflect the level of interdependency necessary for successful delivery of IT services:

"Often, it's just having this discussion with the customer that solves the problem because often, they haven't thought it through. I try to show it's a partnership that won't work if it's purely focussed on the obligation of IS/IT to deliver." [P$_E$]

"Collectively the IT Account Managers have said: 'Yes, we will draw up these SLAs.' We know, however, that there is something more to service than saying we've changed; that we are responsive and are listening to you." [P$_E$]

Summary.

Ultimately, it is individuals who make promises, which in turn drives the creation of expectations. Furthermore, data from both the normal and divergent cases suggests that the successful management of expectations, developed from promises, is an endemic problem to all organizations. The actions of both the ISO and the business give rise to promises about the actions of self, as well as others. However, there is no evidence in the data that the business 'customers' are overly concerned about the promises they make, for example, about future participation in I.T. service developments.

The complexity of business environments and infrastructures makes it difficult for the promise-maker to strike a balance between realism and the protection of self-interest. Those ISOs that take pains to encapsulate promises in documents, such as service catalogues, or agreements, appear to be the most acutely aware of their failure to deliver these promises.

Overview of the Relationship Categories.

Each of the abstract categories found within the primary data has been discussed in detail within this part of the thesis. Examples have been provided from both the customer and provider viewpoint within four insurance sector organizations. Data has also drawn from the divergent company and presented as additional examples to confirm or contradict the evidence found within the normal set. A summary of the whole category set is given below.

(i)   The Customer - Provider Relationship Perspective

From the internal customer viewpoint there are some mixed messages concerning the key drivers for what makes strong relationship. There are examples of elements that characterise external, market-driven, consumer-like influences, such responsiveness to demand and minimal costs. Other, more abstruse factors have also been discovered in the data, such as the endorsement by IS professionals of values and common norms of the parent organization: in effect, 'are they really one of us?'

From the provider perspective, considerable energy and attention must be focused on giving the customer what they want or they think they want. For the IS professional, matters such as job satisfaction, personal pride and a desire to be more closely aligned and consulted by the business loom large. Governance of the relationship also seems to be more important to the provider than the customer. For the service provider, good communications, clear roles, business awareness, support processes and management systems appear to be vital to ensure the relationship is maintained.

(ii)   Normal - Divergent Relationship Perspectives.

A difference between the normal and divergent case is extent to which the latter has incorporated the ideas of customer research, relationship management and internal marketing into its roles, planning and implementation of IT services. However, sheer size, leading to significant structural and cultural complexity makes the development of common ideals, goals and mechanisms for resolving internal issues and conflicts considerably more difficult to achieve than for smaller enterprises. Again, within the data there are examples supporting the salience of expectations and perceptions for a robust relationship. In this company, failure to manage these elements of the relationship were partially the cause for outsourcing that destroyed the ISO monopoly as an IT service provider.   The organization also seems to have suffered from considerable turbulence in the external environment. This, coupled with an apparent lack of corporate leadership, has exacerbated the internal 'trading conditions' for the ISO.

In summary, the more the goals, perceptions and expectations of the customer and provider are congruent for each and every individual IT service, the stronger there is a general, enduring belief in the *relationship* itself.

The next part of the thesis reports the outcome of the third and final stage theory induction, whereby links between the theoretical categories are identified, so that the development of the grounded theory can be completed.

PART FIVE –

CUSTOMER-PROVIDER
RELATIONSHIP THEORY DEVELOPMENT.

**PART FIVE: CUSTOMER-PROVIDER RELATIONSHIP
THEORY DEVELOPMENT.**

This part of the thesis is about the creation of the grounded theory from the categories discussed in Part Four. This was accomplished through the selective coding process that linked together all the categories to form the grounded theory. The first Chapter explains the approach used for integrating the categories. The second Chapter discusses the outcomes of the integration exercise. The type of theory created is called a 'substantive theory,' because it is substantiated or specific, within the *defined boundaries and constraints* of this particular research study. However, by situating the substantive theory within existing knowledge domains, the transferability of the substantive theory to a wider canvass may be explored. Before this can be achieved, the substantive theory must be verified and validated. The evaluation of the theory is covered in the next and final part of the thesis.

5.1   Category Integration.

The general nature of selective coding has been discussed in Section 3.3 and therefore does not have to be rehearsed here. The aim of this chapter is to explain in detail the specific methods and techniques employed for synthesising the grounded theory from the individual categories identified and defined by axial coding.

5.1.1   The Approach to Selective Coding.

(i)   Selective coding is a creative challenge for the researcher, not least because there is no procedural model that can be used as a template for the process. Since the categories included conditions, actions and outcomes, the author decided to elaborate the linkages between them by using a 'causal network.' According to Miles and Huberman (1984 p.132) this provides:

'A visual rendering of the most important independent and dependent variables in a field study and of the relationships between them.'

These networks are deterministic, rather than correlative. The 'visual rendering', is a diagram of some sort that only shows links between the constructs (the axial categories). These links are directional, in the sense they show how one category creates, or influences another but the model cannot show a statistically proven correlation. With this important limitation in mind, the decision was made to build the causal network from matrices. The author initially had some misgivings about using matrices, because they seemed to be a reductive and overly simplistic representation of the phenomenon. There was doubt that the relationship phenomenon could be represented by a series of simple tables. However, the author gained encouragement from the view of Miles and Huberman (*loc. cit.* p 211):

'The idea is not to use (these) specific matrices but to think in terms of matrices and invent a format that will serve you best.'

Accordingly, the theory building was completed using the guidelines, given by these two researchers. Their ideas were also helpful, when reviewing the primary material for reasonableness of decisions made about the inclusion of a category within a particular sub-group.

(ii)   Before the network was developed, the specification for each of the categories (Appendix 'E') was reviewed, for similarities of definition and properties compared with other categories. This audit was considered necessary, because sixteen main categories seemed too many for comfort. The number of processes appeared to be right but outcomes or consequences seemed to be excessive. Although, there was a concern about theoretical complexity, the author was also aware of the danger of the converse situation. That is, developing an under-specified theory, because simplification had been taken too far: forcing out the complications of 'real life' working relationships.

(iii)   The application of 'Occam's Razor' (entities are not to be multiplied more than necessary) to the candidate set of categories was considered to be important check. The author needed to be sure that no opportunity had been missed to simplify the basis for the development of the grounded theory.

In other words, the richness of the primary data should be conserved in the most parsimonious way possible. To resolve this dilemma, the inductive-deductive philosophy of grounded theory was invoked again. This time it was used to recheck doubtful categories, by going back to the interview transcripts and tracing through a few sample events, such as implementing an IT project or dealing with service level issue. The idea was to see if these constructs really do feature in the data. This analysis gave assurance that the categories had true meaning, within the everyday experience of the author. Following this examination, the integration of the axial categories was then attempted, by following the principles of 'transactional systems' enunciated by Strauss and Corbin (*op.cit.* p.184). A step-by step-explanation of how the integration was accomplished is given in Sections 5.1.2 – 5.1.5, below.

5.1.2 Structuring the Categories.

(i) Since the paradigmatic model (Paragraph 3.3.2.2) had been applied in a standard way to all the empirical data, the categories may be considered as the elements of a transactional system. The key characteristic of these types of social system is that they can be thought of in terms of a number of levels. A level consists of particular sets of interactions within a stratum and situates the next, inner level. The path of an event, for example, solving an IT service problem for user, can be traced through a micro to macro levels within the hierarchy. This conceptionalisation allowed the author to take a holistic view of the phenomenon and to locate the categories within a two-dimensional structure:

(a) Horizontally, i.e. the causes and consequences within a level

(b) Vertically, i.e. the conditions/context between levels.

Conditions or context, mediate the link between causes and their outcomes.

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(ii)   Action and consequence (A brings about B and/or C etc) are obvious elements of a transactional system and thus can be represented within a particular level as a causal network. There are two domains that are of direct interest to the development of the internal customer-provider relationships.

There is an inner domain of the social actor, representing forms of expectation-attribution, based upon exchanges between individuals of knowledge, moral support, opinions, promises, power/influence etc.

- Conditions: attitude
- Causes: process
- Consequences: perception

The next higher level pertains to the environment of the work group; be it the ISO or a business function. In this case, time is the modality acting as the linkage between the social actor domain and the beliefs of the role group (about the other party). The conditional situation is constituted by the climate that affects everything within a company.

- Conditions: context
- Causes: time
- Consequences: belief

There is also a third, outer stratum, representing the external business and societal environments. The structure of this social system is outside the scope of this study and will not be defined, though ultimately, this helps to set the organizational climate (Section 4.1.3).

Figure Seven shows the organizational transaction systems. Each is constituted from a domain of causes, conditions and consequences. The transactional system meta-model, enabled a three-step strategy to be devised for developing the grounded theory. Firstly, to link the individual level categories to create a sub-model and then to develop a similar structure for the work-group categories. The final step was to integrate the two sub-models.

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5.1.3 Step One – Integrating the Social Actor Domain Categories.

The aim of this step was to link each process and its intervening conditions with outcomes (perceptions), by analysing the detailed specification of each category. Using rough, hand-written diagrams, causality and the part played by particular conditions were confirmed by tracing the path of events recorded within the empirical data, through the transactional system. Each of the relevant category specifications was then annotated to show the results of the analysis, which represents the author's *interpretation* of the meaning of the data. Linked categories are shown in square braces '[ ]' and where appropriate, category properties are indicated by round braces '( )'.

5.1.3.1 Linkage of Causes and Consequences.

This was achieved by taking each process and identifying conditions for the actions of individual involved and outcomes, which may cover a range of perceptions. These are as shown in the last section of each category specification, which shows the consequences, isolated from the primary data and construed in terms of their affect upon the other categories. The application of the coding paradigm (Paragraph 3.3.2.2) had previously identified the consequences. To illustrate this process, agreeing (Appendix 'E1'), has been used as an example. Agreeing is a social process of working toward a common direction. Some outcomes are planned for, such as establishing a sound basis for future resource allocation but there can also be unintended results, as shown overleaf.

- The process of agreeing could reduce the frustration felt by the business with the ISO staff, from improved base of knowledge about the way service costs are assigned to different work groups or departments. This is an improved <u>understanding</u> of individuals.

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> - Over-concentration on objectives, (the 'what'), with little attention upon implementation, (the 'how'), can lead to a reduced, overall focus, for individuals involved.

This form of analysis was repeated for the all the processes.

5.1.3.2   The Linkage of Consequences to Causes.

A perception may arise form several processes; the converse of the situation noted in Paragraph 5.1.3.1. So there was a need to establish linkages by tracing events from the outcomes back to their causes. An example, is the feeling about a common direction for a service i.e. 'focus.' The category specification, Appendix 'E9', has been annotated to show which processes contribute to the formation of the perception (causal conditions) and the factors that mediate causality (intervening conditions). Inspection of the specification shows how the perception develops. These activities includes:

> - Identifying opportunities for new services - agreeing.
> - Deciding which service task is more important than another - prioritising.
> - Establishing the job content and powers for managing service support tasks - assigning.

Further consideration of conditions that constrain or enable a focus to develop suggests that it may be affected by:

> - The extent to which corporate intentions are translated into personal objectives – knowledge-based understanding.
> - Experience of different working styles– knowledge-based understanding
> - Awareness of ISO position in the company power-based understanding.

The exercise of linking causes, conditions and outcomes was carried out for all other process categories. The result of the analysis is shown in Tables Ten and Eleven below, which includes a *qualitative* indication of the linkage strength. This was arrived at, by noting the relative frequency within each main category a sub-category appeared. Mainly, the association between categories is clear but there are some ambiguities. Where there is clear evidence, this has been indicated as 'key'. Weaker linkages are indicated where there are a few instances of a category, or where the connection between a cause and outcome is indeterminate. Possibly, sampling inadequacies or incorrect coding may have picked up spurious links. On the other hand, true causality may exist but not strongly enough for total confidence to be established in the linkage.

Table Ten.
Integration of Process and Perception Categories.

Processes ....▶ Consequences ▮	Agreeing	Assigning	Envisioning	Evaluating	Participating	Performing	Prioritising	Promising
Commitment		Limited	Key		Key			Key
Focus	Key	Key	Limited				Key	
Satisfaction				Key	Limited	Key		

Table Eleven.
Integration of Conditional and Perception Categories.

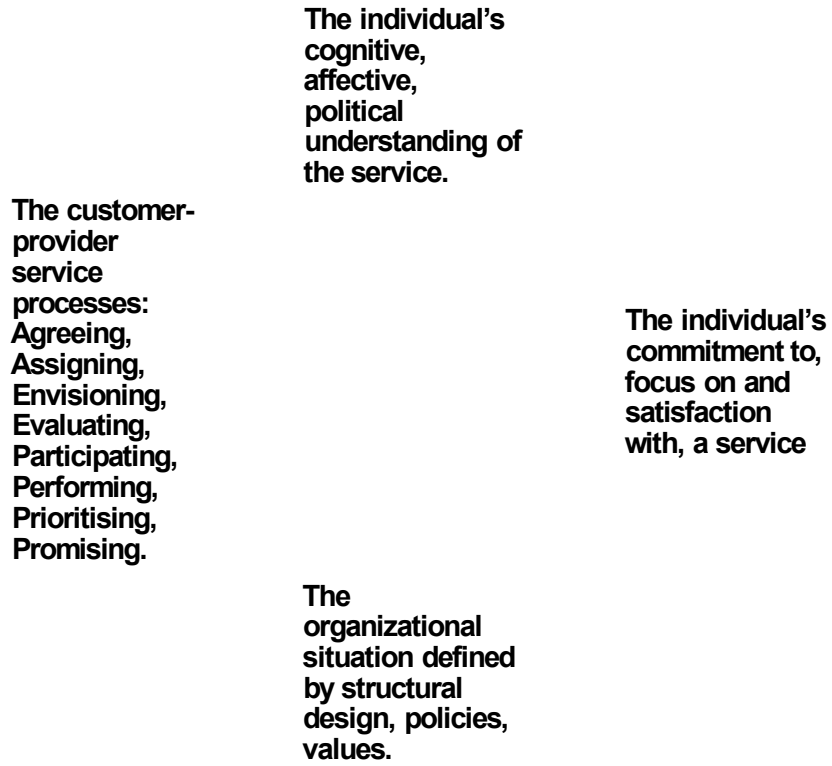| oonanions * Consequences i	Climate Design	Climate Policy	Climate Values	Understanding Emotion	Understanding Knowledge	Understanding Power
Commitment	Limited		Limited	Key	Limited	Limited
Focus	Limited	Limited		Limited	Limited	Key
Satisfaction	Limited	Limited		Limited	Key	Limited

5.1.3.3   Construction of Social Actor Domain Sub - Model.

Development of a sub-model from the indicative association data, shown in the relevant tables completed the first phase of selective coding. The principles applied to the construction of this sub-model (Figure Eight) and the other sub-model (Figure Nine) were as follows:

(a)   Where a 'strong' linkage is indicated, causality had been demonstrated between the relevant process, situational conditions and the perceptions of the social actors.

(b)   Where there was limited evidence for an association, to consider possible linkages during the final integration step after reviewing the evidence for all the categories (Section 5.1.6).

Figure Eight.
The Social Actor Level Domain Sub - Model.

The individual's cognitive, affective, political understanding of the service.

The customer-provider service processes: Agreeing, Assigning, Envisioning, Evaluating, Participating, Performing, Prioritising, Promising.

The individual's commitment to, focus on and satisfaction with, a service

The organizational situation defined by structural design, policies, values.

5.1.4 Step Two – Integrating the Group Domain Categories.

5.1.4.1 The Linkage of Beliefs to Context.

How category linkage was achieved can be illustrated by taking <u>dependence</u> as an example. This could refer to, say, the view of an insurance department that they need the information system department's, physical and intellectual resources to support an underwriting service for brokers. Inspection of the category definition in Appendix 'E6', shows that a sense of dependence is affected the freedom of choice with regard to IT suppliers. Other contextual elements include:

- The extent to which internal partnerships are encouraged - <u>policy</u>
- The emphasis upon the autonomous ownership of IT resources - <u>policy</u>
- The degree to which organizational complexity affects how business areas use corporate resources - <u>design</u>
- The roles and responsibilities associated with the management of those resources - <u>design</u>

Looking at the converse perspective, taking <u>organizational design</u> as the example, the category specification (Appendix 'E3') shows structure influences the beliefs of a work group in the following ways:

- The degree of budgetary responsibility granted to a functional unit or department - <u>dependence</u>
- The intensity of competition between functional units - <u>dependence</u>
- The capabilities of a functional area, to manage resources available from third parties - <u>dependence</u>

All belief and context categories were integrated in a similar manner to yield the results shown in Table Twelve, which is presented graphically as Figure Nine.

Table Twelve:
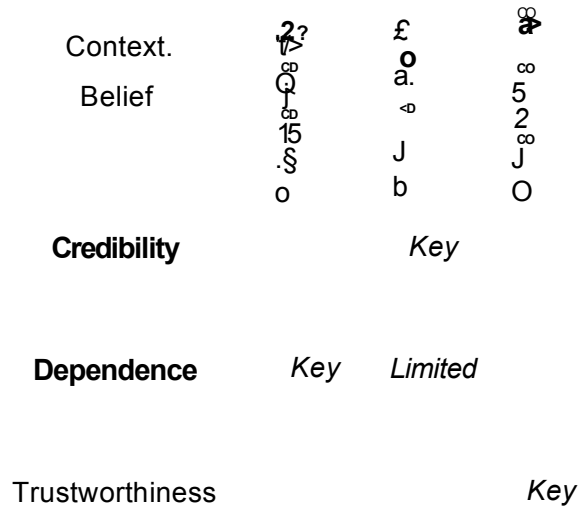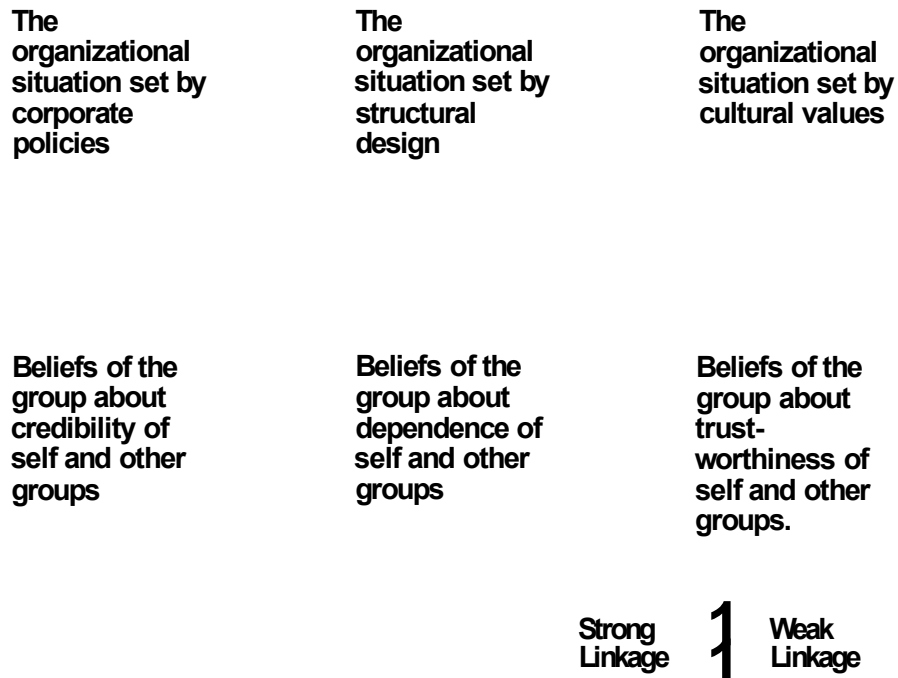Integration of Context and Belief Categories.

Context. Belief			
Credibility		*Key*	
Dependence	*Key*	*Limited*	
Trustworthiness			*Key*

Figure Nine.
The Role Group Level Domain Sub -Model.

The organizational situation set by corporate policies	**The organizational situation set by structural design**	**The organizational situation set by cultural values**
Beliefs of the group about credibility of self and other groups	**Beliefs of the group about dependence of self and other groups**	**Beliefs of the group about trust-worthiness of self and other groups.**

Strong Linkage | **Weak Linkage**

5.1.5 Step Three – Integrating Actor and Role Group Domain Categories.

A characteristic of transactional systems is that they allow a cyclic perspective upon the evolution of a phenomenon. In this particular instance, it is the way group beliefs are progressively strengthened or weakened, over time, by the perceptions of individuals about a service. The goal for the final stage of theory development was thus to reflect this temporal synergy between the two social systems. However, an important issue to be resolved was to decide how weaker/ambiguous linkages were to be incorporated within the final model.

(i)   With regard to the social actor level domain, the author suspected that the appearance of ambiguous linkages reflected an artificial distinction between the different forms of conditions: social/knowledge-based and social/power-based understanding. Each of these is inextricably linked to the other and probably, *together,* constitute the attitude of an individual. A decision was therefore made, to develop the theory on the basis of a single, super category, simply labelled, 'understanding.' This category subsumes the three sub-categories.

(ii)   At the group level, the converse to (i) appeared to be true. The sub-categories of climate were really quite different constructs and, as such, really need to be identified separately within the causal network. Context has been noted previously as a potential conceptual problem and it seems this caution was justified. The author reluctantly concluded that the research was not sufficiently complete or otherwise adequate, to fully demonstrate how each component of organizational climate is *explicitly* linked to a belief category. Accordingly, organizational 'climate' has been presented as a single contextual category, even though this isn't so. This weakness in the research must be acknowledged. Further work needs to done (Section 6.2.1), to enable the connection between context and the other categories to be resolved to a higher degree of certainty than provided by this study.

(iii)   As well as the two sources discussed in (i) and (ii) above, the origin of the weaker linkages might also lie in faults with the grounding process. For example, it was noted earlier, (Section 4.4.1) that 'commitment' is an idea laden with many interpretations. The author surmised that this perception might actually include two separate elements: *ongoing* loyalty to and confidence in, the work group and also a *temporary* sense of involvement with a project, or other time-limited service task.

(iv)   The other dubious category was 'participating.' Again, this could be due to conflation of two separate categories: the development of a psychological *state* of involvement, referred to above and the *behavioural* activity of collaboration. The primary data was revisited but the evidence for new categories was, at best, incomplete. Therefore, the author decided to construct the model on the basis of the 'key' linkages but to acknowledge these limitations to the grounded theory as part of the research evaluation (Section 6.1.3).

5.1.6 Linking the Sub-Models.

(i)   Given that individual perceptions of a service cumulatively affect group beliefs about the customer-provider relationship, it follows that the sub-models may be integrated by using these categories as the bridge between the two domains. To illustrate the method followed, 'dependence' has again been used as the exemplar. The evidence implies that the mutual reliance of the parties develops over time, from reinforcement of an individual's idea that others share a similar set of plans and objectives. The specification for dependence shows that this belief evolves through:

- A pervasive idea within the ISO-business teams that all functions play their part in contributing toward a successful organization - focus
- A common view, that in the most part, the processes for managing IT services, are fair and reasonable for all concerned- focus
- A mutual recognition that as well as self, the other party (customer or provider) also have their own resourcing constraints -focus

Each and every perception and belief category specification was analysed in a similar way to that discussed above. The outcome from this exercise is shown in Table Thirteen below:

Table Thirteen.
Integration of Perception and Belief Categories.

perceptions

beliefs

Credibility   Key

Dependence   Key

Trustworthiness   Key
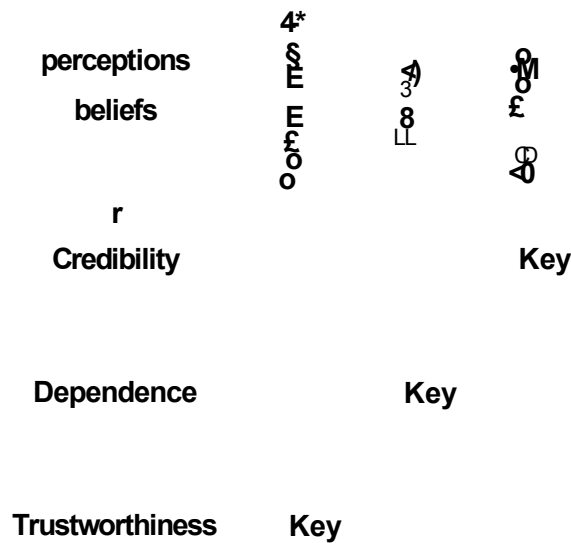
(ii)   The final task completed, before putting the two domain models together, was to use the summary descriptions of each category as a type of memo, to develop a plausible 'story-line' (Strauss and Corbin op. *cit.* pp. 148*ff).* The summaries were examined to see whether or not they provided a similar explanation of the phenomenon, to that postulated by the matrices.

The author concluded there were no significant differences between the general understanding of the ISO-business relationship, afforded by this narrative perspective and that derived from causal network. Therefore, there was no reason to prevent the completion of the model representing the grounded theory. The summaries pertaining to the core elements of the ISO-business relationship form the basis for a discussion of the grounded theory given in Section 5.2.1.

5.1.7 The Grounded Theory as a Framework.

As mentioned above, by integrating the two sub-models, the author was able to finalise the grounded theory as the causal network presented as Figure Ten (overleaf). A key to the symbols used on the diagram is shown below.

Symbol	**Meaning**
	Organizational Context
--------------------	Individual Attitude
	Causal Link
	Group Belief
	Individual Perception
c = >	Service Process

The grounded theory in its graphical form will be referred to hereafter, as the Substantive Theory Framework (STF). The second Chapter of Part Five explores the STF in the context of the research objectives discussed in Chapter 1.4.

Figure Ten.
A Grounded Theory of the ISO-Business Relationship.

5.2. Analysis of the Substantive Theory Framework (STF).

The aim of this chapter is to examine the extent to which the STF is a plausible interpretation of the research phenomenon. This question is firstly addressed, by identifying the theoretical implications for ISO-business relationships. A second section is a 'reality check', that looks holistically at the sample organizations, to explore the forms of relationship found in practice.

5.2.1 Relationships in Theory.

The STF shows how an internal customer-provider relationship evolves from service activities. The perceptions of individuals about a service, over time, become common beliefs of work groups, performing a role in the service. Although the research was not designed to track relationships over a period of time and the theoretical categories cannot be treated as variables, several propositions can be framed about the nature of the phenomenon. These ideas might be tested by further research (Chapter 6.2).

(i)   The three group beliefs are present in all internal customer-provider relationships. Each belief does not exist without the others: they are mutually inclusive.

(ii)   The 'strength' of a relationship, within an organizational context, will be determined by the combined effect of these beliefs.

(iii) The three belief states can be considered as properties of the relationship; intensity of belief is a dimension of that property.

(iv)   The higher the degree of congruence between the belief states of each role group, the more stable and long lasting the relationship.

Before looking at how the STF in total, might be applied to internal relationships (Section 5.2.2) it is helpful to look separately at each of the three core categories that constitute the phenomenon.

5.2.1.1   Credibility.

(i)   This can be envisaged as an outcome of 'asset exchange' within the relationship, where 'asset' means skills, experience and information. The intensity of this belief reflects the mutual <u>confidence</u> that might be placed in the successful fulfillment of a role. Credibility derives from satisfaction, judged from the customer viewpoint. However, the question is begged, who is the customer? Mainly, it is the IS 'users' judging the IT department but sometimes, for example, within an application development project, the ISO, can be identified as a recipient, if not consumer of a service. In this circumstance, it is the users who need to demonstrate credibility, in terms of their provision of assets towards the joint enterprise.

(ii)   Credibility also brings in the contentious issue of evaluation. In all the sample organizations, there seemed to be many problems surrounding the management of benefits, particularly over an extended time period. As a result, the contribution of the ISO to the organization often remains undervalued. Given the reported reluctance of IT professionals to market themselves, it is no wonder that ISO credibility, in many instances, remains at a low level! Evaluation also implies judgement of performance but a curious element is that not one of the interviewees suggested that IT might evaluate customer performance. There was no evidence that this was contemplated, let alone actually carried out. This is a clear example of dysfunction within the relationship and seems to substantiate the doubts expressed by the IS interviewees, about a true partnership with the business.

5.2.1.2   Dependence.

(i)   Some IT account managers, whose role includes the development of intra-organizational relationship, advanced the view that an interdependent relationship was indicated by a high degree of pro-action and frequency of voluntary contact between the parties. This is supportive of the idea that interdependency can be construed as a mutual sense of integration, reflecting power sharing between the customer and supplier. The basis for this power is provided by the potential to acquire, mobilise and deploy financial and other resources within a 'political economy.' This perspective explains how special interest groups (like an insurance claims department) compete against, or co-operate with each other, to maximize their influence upon resources drawn from the internal 'supplier.' Similar to credibility, which is the knowledge dynamic, when power is equal between the parties the whole organization should perform more effectively than when there is a significant degree of asymmetry in the relationship.

5.2.1.3   Trustworthiness.

(i)   Whilst credibility represents the impersonal aspects of the relationship, based upon respect for the quality of role performance, trustworthiness reflects a view that the past, or current behaviours of a party warrant further emotional commitment. Whilst the other two beliefs are based upon knowledge and power, with trustworthiness, interaction can be constructed purely in social terms. Common ideals, self-identification and friendship, together with shared norms of behaviour and organizational history, drive this aspect of relationships between provider and the customer. That is, trustworthiness can be interpreted as a force for comfort in the relationship. This is created from attitudes toward appearance, imputed manners, rhetoric and other personal attributions, including the importance of age and business experience.

(ii) The elements for building a sense of trustworthiness are commitments (expressed and implied), inspiration, exhortations, recognition, reward, expressions of familiarity, concern, support etc. In this context, some of the account managers also suggested that the robustness of the relationship could be indicated by extent to which one party 'forgave' the mistakes, or problem caused by others. The term, 'a no blame' relationship was used to describe a mature arrangement between the parties.

(iii) A true partnership is where trustworthiness is maintained at a level to maintain a strong feeling of mutual ownership of all activities associated with the relationship. However, in a high-risk situation, the emphasis can switch from trust to formality, authorization and control, At these lower levels of trustworthiness, credibility and the need for continued dependency may also called into question. Responsiveness, 'value for money' and innovative behaviours of the IT department might still be recognised but there could be unease that what is done by the ISO is for really for the benefit of *all*.

5.2.2   Relationships in Practice.

The STF predicts that there are eight potential configurations of the internal customer-provider relationship. This number represents the combination of three belief states. Each of these may be simply dimensioned as being of high and low relative intensity. The most impoverished form would be where the ISO and the business believe that they really don't need each other; are doubtful of the capability of the other party and distrustful of their intentions. At the other extreme, in a true partnership, with core beliefs at a high intensity, there is acceptance of total interdependence, a relaxed view, with confidence and faith in the other party. The data from the sample organizations provides a synopsis of the relationships forms encountered in practice (see Table Fourteen).

Table Fourteen.
Forms of the Customer-Provider Relationship.

Case	Relationship Type	Credibility	Dependency	Trustworthiness
A	IIa Neutral	Low	Wtrnn	
B	1Sceptical	Low	Low	Low
C	IIb Collaborative	Low	High	High
D	1Sceptical	ʃLow	Low	
E	IIa Neutral?	High	Mixed	

(i) The name of each type has been chosen to encapsulate the nature of the relationship, in terms of the relative strength of the bond between the parties, based upon the author's holistic interpretation of the primary data. The status of each organization has been founded upon the author's view of the three core beliefs that constitute the relationship:

- Level I (organizations 'B' and 'D') has been called 'sceptical.'

- The intermediate level (II) includes two sub-states. Firstly, where one of the belief states is strong and the other two less so. For example, in organizations 'A' and possibly 'E.' Secondly, where two belief states are strong and one less so (organization 'C'). These forms have been designated as IIa, 'neutral' and IIb, 'collaborative', respectively.

- The sample set did not include any organizations that truly fit Level III, designated, 'synergistic'; in other words, a full partnership.

(a) Credibility.

The sample presents a mixed picture. It is significant that for organizations, 'A' and 'B', where the tone of the comments by some customers verged on the critical, even adversarial, within six months from completion of interviewing, both companies had chosen to outsource much of their IT operations. Generally, the larger ISOs (in companies 'C' and 'E') exhibited a higher degree of credibility than those ISOs in the smaller firms. Possibly this reflects the level of resources that can be deployed to address customer demands, publicise successes and build the image of the IT service provider.

(b)   Dependence.

As might be expected, the more profound power disequilibrium was found within the most highly bureaucratic organizations. In Company 'A' the considerable power previously exercised by the ISO began to rapidly dilute, as the organizational implications of a recent takeover of the company started to materialise. Sample organization 'B' retained an in-house IT department working within a traditional, hierarchical structure. The balance of power was very much on the side of internal customers, who used the IT department almost like a demand driven utility. At company 'D' (the smallest organization in the set) there was a significantly lower level of dependency on the ISO, than at the other sites. Since the IT function was created in the 1980's most IT resource had been bought in from third parties. It was therefore not suprising to find a general indifference on the part of the customers to IT resourcing issues; although there was little direct criticism of services provided by the ISO. At site 'C' there was evidence of cooperation between role groups within the organization. Here, the author sensed a sense of community and genuine attempt at reciprocity between the ISO and *some* customer areas. Company 'E' presented a very diverse pattern. The interdependency between the core operating areas and the ISO seemed to be very high. However, for some years, specialist or technical functions had exercised considerable autonomy in their choice of IT services supplier, leading to a low sense of dependence.

(c)   Trustworthiness.

In a customer-provider relationship, dependency and trustworthiness can be seen as two sides of the same coin: if the parties are independent they are in a position to almost avoid one another - even if they trust each other! In this context, 'benign indifference' or avoidance characterised the relationship within organization 'D'. The in-house IT staff and some business users were wary of senior management motives and generally unimpressed by their strategic application of IT.

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The role of leadership is crucial for building trust (as the behavioural implementation of trustworthiness) through a vision that helps to unify the parties and integrates them into a mutually supportive team. This ideal was perhaps most clearly exemplified in company 'C', where the top IT executive had previous line management experience of insurance and the corporate development functions. The CIO was thus able to lead the IT organization from both a technical and business perspective, by, for example, supporting the initiatives such as the use of internal customer account managers. The CIO also strongly backed investment in research and innovations that were directed toward solving internal customer problems.

In contrast, the largest organisation in the sample, the divergent case ('E') appeared to be stultified by over-centralisation, complexity and frequent changes of strategic direction. The sheer size and complexity of the organization seemed to prevent the exercise of visible leadership. The persistent uncertainty in corporate policies, plans and the role played by the ISO, was reflected in continuous change in jobs and responsibilities of managers and senior IS professionals. Relationships were damaged because, in the end, the customers (users) did not really know *whom* to trust.

Summary of Grounded Theory Development.

- In this part of the thesis the theoretical (axial) categories, were stratified as a transactional hierarchy of causes, consequences and conditions, within and between, social actor and role group organizational systems.

- The integration of these two systems led to the creation of a theoretical framework, representing the ISO-business relationship as a causal network. The diagnostic capability of the framework was then tested by applying it, holistically, to the ISO-business relationships at the five sample companies.

The next, and final part of the thesis, critically evaluates the research process and outcomes and discusses the implications of the research for theory and practice.

PART SIX –

RESEARCH EVALUATION, IMPLICATIONS AND CONCLUSIONS.

PART SIX: RESEARCH EVALUATION, IMPLICATIONS AND CONCLUSIONS.

The aim of the final Part of the thesis is to review the investigation and to locate the research outcomes in a theoretical, practical and personal context. In the first Chapter the quality of the STF is evaluated. The second Chapter focuses upon the implications of the work, with a discussion of opportunities for developing the research as a guide for managing internal relationships. Drawing upon lessons that have been learnt, the third Chapter makes recommendations to researchers who may wish to employ grounded theory for exploring information systems and services, within an organizational context. The study concludes with a short Chapter stating the contribution to knowledge and providing a summary of the conclusions reached.

6.1 Evaluation of the Grounded Theory.

The principles for demonstrating the quality of a grounded theory were specified in Section 2.3.3. The view expressed there was that an interpretive study can be tested in terms of its reliability and validity but these dimensions have different meanings than for objectivist research. The former element requires establishing the degree of confidence that may be placed upon the grounding process. Validity, in the sense of plausibility, is not the ability to generalise but the explanatory power of the grounded theory within its conceptual limitations. The ideas of Strauss and Corbin (*op. cit.*) and Bacharach (*op.cit.*) have been adapted to create suitable quality criteria for research evaluation. This outcome of this evaluation is discussed below.

6.1.1 Verification of the Grounded Theory.

    (i)   Is the Theory Empirically Adequate?

               Empirical adequacy requires testing the match of the substantive theory with the primary evidence.

    (a)   To enable confidence to be placed in the primary data, a detailed explanation has been provided of how the interview question set was initially established and employed, together with an audit trail that shows the chain of evidence through the stages of data analysis.

(b)   Whilst space considerations prevented inclusion of the full text, the author tried to substantiate the interpretation of each emergent category. Relevant examples of empirical data that represented the customer and provider perspectives, for the normal and divergent organizations, were provided. A consistent format was followed, so as to provide a high level of clarity for the category specification.

(ii)   Were the Concepts Systematically Associated?

The sub text of this question is – were the linkages between the concepts developed in a logical manner? The answer to this is both yes and no. 'Yes', because the STF was synthesised by structuring the theoretical categories into social hierarchy and by using matrices as the common tool to link all categories, within a causal network. The answer is also 'no', because sometimes, what was cause and what effect was not always clear: for example, how expectations and perceptions affected each other. In circumstances where the evidence was ambiguous, the author tried to use a common sense view to resolve potential misinterpretations but errors will have been made.

(iii)   Were the Concepts Tightly Woven into a Theory?

Yes, because an attempt was made to give conceptual solidity to the theory by implementing it in the form of a framework that represented the linkages between the abstract concepts (the categories). In the end, the STF represents an interpretation of the phenomenon and so the quality of the research outcome remains, of course, a matter of opinion, until such time as the STF is confirmed by other research (see Chapter 6.2 below).

6.1.2   Validation of the Grounded Theory.

A valid theory is one that is cogent, relevant and plausible. Therefore, the validity of the STF should be evaluated by judging it in terms of satisfying the aim of the research, which was to give an 'answer' to the question:

'What is the nature of the working relationships between the information systems organization, IT professionals and the people in other areas of the enterprise?'

An influence upon the explanatory power of a grounded theory is the robustness of the research sampling strategy. There might be three types of deficiency in the strategy, associated with each stage of theory development.

6.1.2.1   Open Sampling.

(i)   The plan was to reduce the external 'noise' factors by selecting organizations of a similar type, except for the divergent case. However, the categories emerging from the divergent case were mainly similar to the normal set. This may be a genuine outcome but it could also be an artifact of the sampling, arising from failure to choose a contrast case that was sufficiently different, to fully bring out variances. The reason that this might have occurred was that all the companies were well-established, cash-rich enterprises. Furthermore, although some outsourcing had taken place, the mission-critical, core systems were provided, or at least managed by, the in-house IS department. Although the IS departments operated within environments made by different histories, policies and structures, the culture and styles of the IS departments may have been too similar. Whilst the selection of the organizations was successful in reducing the problem of confounding factors, homogeneity of the sample may have lost some of the richness and diversity needed to develop a completely valid theory. To address this possible problem requires more research, with a wider range of contrasting and divergent cases.

(ii)   Another possible problem with the sampling might be doubts as to whether or not, the interviewees were properly representative of the full range of provider and customer views. One criticism could be that the balance between IT and business was weighted toward to the IT staff and the voice of the business suffered accordingly. Furthermore, that there should have been a greater variety to the job roles; that there was bias to those in a managerial or executive position. In other words, the data might be relatively weak in reflecting the experience of the 'shop floor', such as the individual underwriting clerk or the help desk analyst. With regard to these possible objections, it should be noted that there was more uniformity of roles and defined hierarchy within the business areas, compared to the ISO, which naturally required a difference in the sampling between the two populations. For the customer side, business managers and executives were concentrated upon, because it was thought that they could give general, wide-ranging views, representing many individuals within a user community. In contrast, IT jobs tended to have a more highly specialised role within the organization and therefore justified a specific presence within the interview set.

(iii)   As previously mentioned (Section 2.4.5) in the first few interviews the author tried to cover all the identified subject areas. As new subjects appeared, attention was then refocused upon these topics. Some informants identified issues, which would best be elaborated by others, but a practical difficulty was that not everyone was available at the time a contribution was sought (Paragraph 3.1.1.2). This *ad hoc* variation to the interview plans gave the author no cause for concern. In fact, quite the reverse, because a do, evaluate and change style of interviewing seemed to reflect the essence of the grounded theory approach. Given that the theoretical categories seemed to be virtually saturated after the sixteenth, or seventeenth interview, leads the author to believe there is no *prima facie* reason for arguing that the number of informants was inadequate. Again, this matter is really only resolvable by further research, by using the STF in a wide range of organizational situations and circumstances.

The main disappointment with data collection was the perennial problem of getting respondents to complete a questionnaire. Originally, these had been designed to understand the perceptions of individuals about the relative importance and quality of the services provided by the ISO. Only twelve questionnaires were returned and the author therefore, somewhat reluctantly, decided that this data could not be used in theory development. This decision may have had a negative impact upon the range of primary data gathered and hence upon theory validity.

6.1.2.2   Axial Sampling.

(i)   The success of the coding paradigm not only depends upon the sampling frame but also the range of events and incidents included within the data. Whilst the author tried to capture a wide range of activities concerned with IT service development and operations there was not the time, or opportunity, to follow through the causes and consequences of every service task. For example, the author was not present during standards meetings; design reviews or the creation of SLAs. More importantly, the author was not able to gain data from first hand observation. Adoption of the etic perspective (Section 2.2.2) meant that the grounded theory has been inducted from reminiscences, observations, comments and anecdotes reported by the informants. To reduce the impact of this situation, the idea was to complete interviews at a given site, in the shortest possible time-scale. This was so current issues could be articulated with minimum distortion that naturally occurs through the passage of time. In practice, the 'blitz' approach did not quite work to plan. Firstly, because as already been noted, appointments for interviews were in the hands of the informants. Secondly, because the axial coding process requires collection, analysis and reflection. It was not possible to collapse each interview cycle into a few days. On the other hand, alternation between analytical and deductive thinking worked well and the coding paradigm proved immensely useful for discovering categories, without unduly 'forcing' their identification from the data.

(ii) Stability of the axial code set was achieved by several iterations through the data. The structure of the categories developed 'bottom up' with the processes emerging at first and then the more abstract ideas of commitment, satisfaction, etc. afterwards. The contextual categories remained undefined until the final iteration. Comparing and contrasting the normal and the divergent cases helped particularly to clarify the contextual categories. The author is not, however, totally convinced that the conditions identified tell the whole story. More knowledge is need about how business culture, structure and management style impacts upon the service processes and outcomes. This would give a higher level of confidence about the validity of all the theoretical categories.

6.1.2.3   Selective Sampling.

(i) The data collected through the main series of interviews identified the belief states. Since these were considered to be important emergent elements, further interviews were scheduled, specifically directed toward further elaborating these categories. These final interviews represent sampling for the purposes of selective coding. In this regard, Strauss and Corbin, (*op.cit.* p. 188), state that sampling should continue until 'theoretical saturation of each category is reached.' By this they mean that:

- New categories are not emerging from the data.

- Categories are fully defined in terms of their outcomes.

- Category linkages have been established and validated.

It is relatively easy to know whether the first two conditions have been met; the third criterion is more problematical. One way the author tried to check the integration between the categories was to ask a knowledgeable colleague about the reasonableness of the STF.

The author also used 'thought experiments' to run a few scenarios through the model to see if it worked. The best approach would have been to gather the research informants together as an 'audience' and to present the STF to them for critical review. This was not possible because of the work commitments of individual informants and the extensive, ongoing structural changes taking place within the case study organizations. These changes, mainly the result of corporate mergers, led in one case to the complete abolition of an IT department that featured in the original sample set!

6.1.2.4   Theory Consistency.

(i)   Have Theoretical Concepts Been Generated?

Concepts have been created. Some of these are commonly encountered in everyday life, such as the making of promises, or satisfaction from a job well done. Other concepts are of a more commercial nature, such as sharing powers and responsibilities. There are also abstract ideas within the data; for example, corporate culture and management styles. Indeed, a possible weakness is that there are far too many categories to fit the parsimonious nature, usually associated with *good* theories. However, a relatively large number of 'variables', is a known outcome of interpretive research and therefore may not necessarily be a significant shortcoming.

(ii)   Does the Theory Reflect Process Dynamics?

Although there is no epistemological reason why temporal causality should be part of a grounded theory, the STF does include process elements. Each of the relevant categories has been detailed in terms of properties, events and conditions. Furthermore, the actions of individuals, associated with each process have also been specified in a manner that highlights areas where interventions could influence the results of the activities.

(iii)   Is the Theory More than Anecdotal in Nature?

A theory may appear to be true because the empirical data just so happens to yield, by chance, an apparently consistent and coherent exposition. The author tried to address this objection by developing the grounded theory in an iterative way. Information from each interviewee was added to incrementally to the knowledge base, which was continuously reviewed and refined accordingly. Thus, the final version of the STF was built up gradually from preceding versions, by incorporating new evidence that supported or refuted earlier propositions. A change log and memos recorded the reasons 'why' certain coding decisions had been made and to document the history of conceptual development This progressive mode of theory development was also helped by the use of a divergent case to highlight differences and confirm similarities. The careful application of this principle leads the author to believe that the theory has emerged naturally from the data.

(iv)   Is the Theory Sensitive to Explanatory Conditions?

This question refers to the variation in the theory. That is, the extent to which the grounded theory is prognostic in its ability to clearly show the effects of applying different starting conditions and events. Since the STF is a conceptual *framework* linking constructs and not a full-blown *model*, demonstrating correlation between variables, the answer to the question must be some - but not as much as the author would have like. As noted earlier, one weakness is probably the exogenous factors for an internal supplier-customer relationship. Although, it was possible to isolate these factors into a single category, called 'climate' their conditioning effect upon social actor and role groups needs further elaboration. For example, what exactly are the characteristics of management style that lead to greater trust of IT executives, by the IT service users and the Board?

(viii)   Situation of the STF within Existing Knowledge.

6.1.3.1   Within the Conceptual Research Literature.

Figure Eleven.

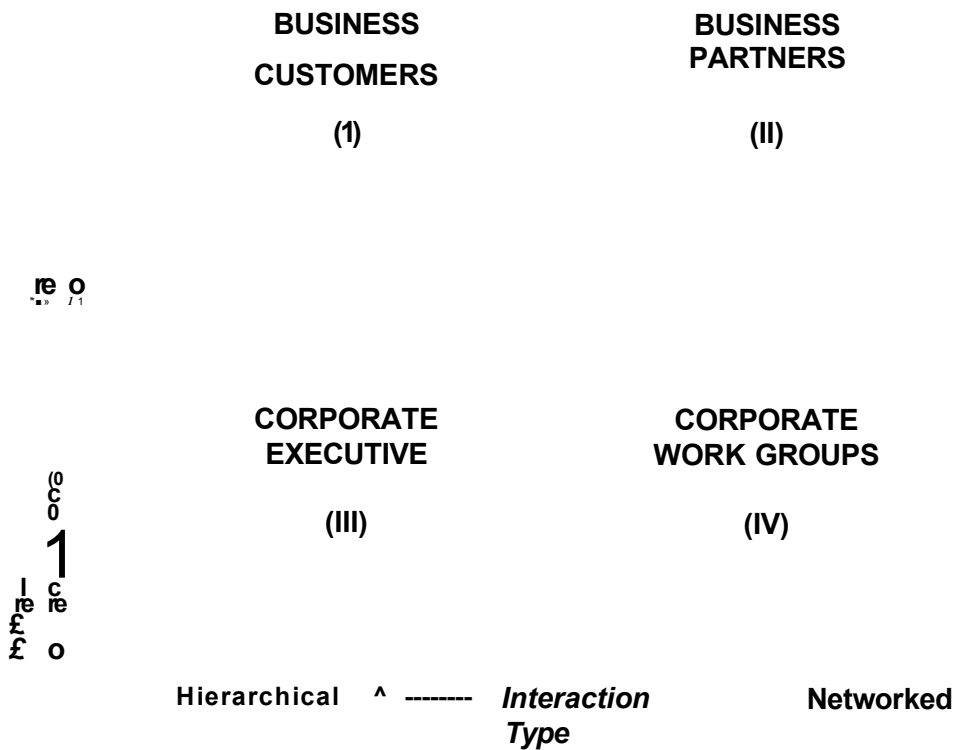A Map of the Study to the Existing Literature about Relationships.

BUSINESS CUSTOMERS (1)	**BUSINESS PARTNERS** (II)
CORPORATE EXECUTIVE (III)	**CORPORATE WORK GROUPS** (IV)

Hierarchical   ^ --------   *Interaction Type*   Networked

Figure Eleven classifies existing knowledge concerning working (as distinct from personal) social relationships into four areas, based upon answers to the following questions about the IS/IT management research topic:

• Is it concerned with the interactions within or beyond the organization?
• Is it directed toward examining vertical or peer level interactions?

Each quadrant can also be associated with an element of the general transactional model (Figure Seven). Quadrant I represents the outermost stratum: this does not feature in the STF and concerns traditional business marketing and the relationships with external customers. This domain is that part of the IS/IT literature focused upon customer-relationship management systems, data warehousing etc. Quadrant II includes, for example, the rapidly growing base of knowledge about outsourcing decision-making and evaluation. The third topic area (Quadrant III) pertains to studies of communications between the IS executive and top management, with regard to corporate responsibility for information technology-based initiatives, strategic alignment and governance. Existing studies in both Quadrants II and III helped to develop the contextual-structural layer of the STF. The location of the present research is the relatively neglected fourth domain of Quadrant IV, which is the province of research about internal relationships and corresponds to inner layers of the transactional model.

Dissatisfaction with the fragmented condition of knowledge about internal service relationships was the motivation for this research. Gaps in the literature led to the focus of this study upon the synthesis and consolidation of current knowledge, within a wider perspective (see Sections 1.1.1 and 1.1.2). The main areas of existing research in internal service relationships are shown below, together with a reference to the section of the thesis where discussion of the relevant literature may be found:

(i) Organizational *context* of internal services (Sections 1.2.3 and 1.3.6-1.3.8).

(ii) Development of *attitudes* to a service. E.g. the growth of expectations and the assumptions of responsibilities (Sections 1.2.5 1.3.1 and 1.3.5).

(iii) *Behaviours* of individual social actors within a service activity. Such as, participation of system users in an IT project (Section 1.2.4 and 1.3.3).

(iv) The operation of internal service *processes* including delivery and quality evaluation (Sections 1.2.5 1.3.2 and 1.3.4).

The present research has added knowledge to the four domains and has enabled these domains, previously considered in isolation, to be fully integrated within the limitations to the study stated in Section 6.1.4.1 (below).

6.1.3.2   Within Empirical Research Literature.

The final element of the research evaluation is to map the findings from this study to the previous empirical investigations of relationships (Table Two). Although context makes comparisons between the research outcome and other studies inherently difficult, taken at a broad level, the findings of this research are consistent with the results of other studies in the following ways:

(a)   Firstly, the number of relationship types in other studies varies from three to six; the number of forms suggested by this research is four to eight. Since this result is not an order of magnitude different from the other investigations, it gives some confidence that the findings have some degree of validity (but see Section 5.2.2).

(b)   Many of the constructs identified within the STF are commonly found in the other seventeen empirical investigations:

- The concept that features most frequently within relationship elements is 'role', and/or 'power.' This is similar to 'dependence' within the STF.

- Another pervasive theme is the development of knowledge through collaborative activities. This idea is reflected within the STF categories 'understanding' and 'participating.'

- The third factor, common to a majority of the studies, is organizational values. This is can be equated to the STF category 'climate.'

(c)   The concepts within the STF not frequently reported in the comparative studies include trustworthiness, perceived competence (credibility), vision and leadership. The fact that they do not appear as often as one might have thought, may be due to the sampling strategy and data analysis techniques employed, as much as the different scope, situation and objectives of each empirical study.

6.1.4 Theory Evaluation Summary.

Discussion of research quality (Paragraph 2.3.3.3) suggested that the validity of a grounded theory can be established by defining the boundaries of the theory.

6.1.4.1 General Limitations.

In accordance with this principle stated above the overall limitations to the STF are shown below. It is not valid outside of the following fundamental constraints (Table Three).

(a) Perspective.

The core axiom for this study is that the ISO-Business relationship takes a *dyadic* form, with one party. Usually, but not exclusively, the ISO acts in the *role* of an internal service *provider* and the other party, the business functions act as a *customer* for those services. The STF may not apply to other conceptualisations of intra-organizational relationships.

(b) Time Frame.

Although data capture was carried out during a specific time period (roughly nine months) there is no evidence that the grounded theory is bounded by time. The STF may well hold for the study case organizations before the research was undertaken, nothing can be said about the *current or future* validity of the STF.

6.1.4.2   Specific Limitations.

(a)   Internal services based upon the of *information and communication technologies.* No claim can be made concerning the relevance of the STF to other types of in-house services, such as, financial audit teams, recruitment, technical libraries, laboratories, printing and publishing, etc.

(b)   *U.K. and countries with similar business environment,* including, for example, the EC and the USA.

(c)   Where the ISO has existed as an *autonomous* unit for some time (at least several decades) with a mission focused on IT systems for core business functions.

(d)   IT services are provided by a *'mixed economy'*, of in-house staff, contractors, or outsourcers. The nature of the ISO-business relationship where virtually all of the IT service provision has been outsourced, leaving a small in-house 'strategic governance' team, are unknown but may require some modifications to the STF.

(e)   The parent business is essentially a traditional type of organization, with a *hierarchical command and control structure.* There is no clear evidence, one way or another, that the STF would apply to an enterprise that ran a truly competitive 'internal market' for IT services.

(f)   Within limitations (c), (d), (e) it is likely that the STF is not confined to organizations of a particular size, complexity or industry in the private or public sector.

6.1.4.3 Conclusions.

The judgements of the grounded theory discussed in this Chapter, are nicely put in context by the principle affirmed by Weick (*op. cit.* p. 114):

'All theories are limited - all theories are correct.'

He amplifies this statement by suggesting that there are three dimensions for evaluating the quality of a theory: its accuracy, generality, and simplicity. Two of these criteria can be met but very rarely, all three. The art of qualitative research is to choose a set of beliefs (Section 2.1.2) to direct the inquiry, such that the less crucial element of this 'iron triangle' is sacrificed. The author would argue that on the basis of foregoing discussions, at least one and possibly two, of the quality criteria have been met. That is, the STF as a representation of a grounded theory for the ISO-business relationship, is probably:

- accurate
- and with further work might be developed to a wider canvass
- but is, and likely to remain, overly complex.

6.2 <u>**Implications for Theory Development.**</u>

This Chapter discusses how the STF may be developed through further research. The first project is concerned with moving the grounded theory to a higher level of abstraction. The second initiative takes the opposite stance: by briefly exploring how the STF could become a practical tool to support the management of IT services. Successful completion of the two research programmes discussed below would help change the STF from a theoretical framework specific to IT, to a general model for internal service relationships.

6.2.1 Generalisation of the STF.

The author believes that further development of the STF as an actor network would have some value. This is because an network conceptualisation of relationships may help to strengthen the linkage of the STF with higher (more general) and inner (individual task-psychosocial) strata of the transactional systems model (Figure Seven).

(i) By treating a substantive theory as a special case of a formal theory, some of the limitations described in Section 6.1.3 (above) may be overcome. This means finding a conceptualisation of relationships, that transcends the nature of particular circumstances, conditions or organizational environments. In Section 1.4.2, Actor Network Theory was identified as the most promising of formal theories for understanding relationships. This was because actor networks do not impose a particular political or economic interpretation upon social relationships but considers them as a series of abstract nodes and linkages. Specifically, the use of actor-networks is supported for the further development of the grounded theory for the following reasons:

(a) Nodes may be people 'actors', such as individuals, work groups, or things - 'actants'. With regard to this research, a typical actor node would be help desk staff. Examples of actants would be specific documents like a service level agreement or a customer complaints system.

(b) Service tasks can be described by a social network configuration of people and their links to actants, like a service agreement, carrying the imprimatur of actors. The context, assumptions and ideas of the relevant social actors are said to have been, 'inscribed', into such a document. Nodal links are created through 'intermediaries', including, knowledge, power etc., exchanged between actors playing a role in the activity.

(c) ANT also uses the idea of 'punctualisation' to attack the problem of organizational complexity, by allowing whole networks to be envisaged as nodes within higher level networks. This principle allows the influence of an actor (or actant) upon others to be fully comprehended, since power reflects membership of different networks. For example, a motor claims manager could be a node in one network, made up of all the staff in the department; the manager may also be a member of another network, such as an IT project team.

(ii) Although it is beyond the scope of this thesis to detail how the STF might be developed, a strategy can be outlined.

(a) The experiences of each actor during the events affecting the relationship would form the unit of analysis. For each service encounter, primary evidence would be examined to determine all the outcomes, in terms of actual and *possible* 'translations' between actors, (or actants). Translation is where there is change in the condition of an actor (or actant) from one state to another: user requirements, expectations and technical constraints are translated into, say, a service development plan. Sometimes these states can be restored but other translations are irreversible – it is not possible to go back to point before there was a choice of possible translation outcomes. For example, after an IT service has been delivered, a change to the original design specification is not feasible because the specification has become an actant within the network.

(b)   For every event, data would be needed showing the circumstances of the translation (general and local conditions); the translator, the entity translated (actor or actant) and the intermediaries or artifacts causing the translation. The data for each of process within the STF would be the start point for identifying translations. In ANT, the psychosocial states would feature as translation outcomes. A sense of commitment, a common focus or satisfaction, would then become properties of each actor and the dimensions of these properties the state of an actor after a particular translation. For example: *motor underwriter* [actor] would have a *high degree* of *satisfaction* [state] with the *resolution of a service problem* [translation]. A series of matrices could be drawn up to show the nodal network links, as separate strands of the relationships between each actor that are created by the translations.

Actor-networks may not completely ideal for developing the STF, since these social networks might be inadequate to fully explicate the influence of structural components within the external context for internal relationships. Moreover, currently, there is no standard model or set of tools available to support this research. Certainly, the data collected for this particular investigation is not in a form that would enable the STF to be easily restructured as an actor network. It is not possible to, for example, to isolate all the intermediaries or exchange elements between the social actors. The necessary data might best be obtained through in-depth, ethnographic studies of several organizations retaining in-house IS departments.

6.2.2 Operationalisation of the STF.

Operationalisation of the grounded theory could form the basis of a practical assessment instrument. This could be used for diagnosing relationship problems, as a step toward designing management interventions to meet the type of challenges reported in Part One of the thesis.

The research mode would likely, though not inevitably, be based upon a positivistic, deductive, strategy to develop the theory as fully validated representation of internal customer-provider service relationships. This type of research, which is concerned with elaboration and confirmation of theory, requires the grounded theory categories to be re-specified as a variables.

Rules would be devised for quantifying the category properties and dimensions. For example, 'commitment' (Appendix 'E4') would become a factor and its properties, such as, 'intensity', fully dimensioned, by being given values: with '10' to represent a very strong and '1' for a 'very weak' form of commitment. The usual practices of quantitative research would be followed to create hypotheses, positing correlative links between specific variables. The hypotheses could then be tested, across a wide population, though surveying and interviewing role groups.

6.3   Implications for Research Practice.

In this Chapter, grounded theory is evaluated and suggestions made about its potential application to research. Given the limited, though growing number of cases in IS/IT management research, the experiences of the author are in themselves a form of research outcome. However, although there are some benefits to reviewing research histories, Locke (*op. cit.* p. xi), cautions that:

'...examples are always after the event and not concurrent with the actual research. There is a danger of condensation and distortion of the detail. The rhetoric of presentation, losses the intimacy and *ad hoc* excitement of discovery, since it is presented as a sequential exercise and it is far from it.'

This caveat is important, since rationalisation of decisions will naturally feature in a review of work carried over a long period of time. This problem, aside, lessons can be distilled from the mistakes and successes with this study and which might prove useful for guiding future investigations. An experiential analysis of grounded theory in practice is presented below. The discussion is designed to answer two key questions about the use of the approach for IS/IT management research:

(i)   *What* areas of knowledge are suited to Grounded Theory?

(ii)   *How* should grounded theory be used?

The first question is epistemological in nature; the second is about methodology. These represent, respectively, 'Grounded Theory' (capitalised) as a form of interpretative approach for discovering the nature of a phenomenon and 'grounded theory' as a set of processes, tasks and techniques for implementing the approach.

(i)   The imputation of the question is that there is an ideal, or absolute, against which, the appropriateness of the research approach could be tested. This not so, because, conceivably Grounded Theory could be used to explore almost any topic in business or social world. Moreover, not all research decisions are based upon logic and objectivity: strong personal feelings and experience tends to suggest a particular strategy to a researcher. The axioms and assumptions for this research appeared to clearly support a position orientated towards the social perspective and a methodology founded upon a qualitative approach. This position was endorsed by the author's interpretation of what the existing literature reported about human agency within IT organizations and their operations. In this context, Myers (*op. cit.* p.2), echoes the sentiments of the author that:

'The motivation for doing qualitative research, as opposed to quantitative research, comes from the observation that, if there is one thing which distinguishes humans from the natural world, it is our ability to talk! Qualitative research methods are designed to help researchers understand people and the social and cultural contexts within which they live.'

If the development of the STF is representative of a 'successful' use of Grounded Theory within the IS/IT domain, it follows that appropriate topics will be those that are similar to that addressed by this research. That is, focused on social settings (of some complexity and apparent vagueness) for the development, deployment and employment of information systems and technologies. Grounded theory, therefore would be most apt for understanding the beliefs and/or behaviours of social actors in a technological context, where the research domain is:

- Potentially rich in meaning *but*
- the scope to the study can be defined *and*
- there are linkages between elements (areas of knowledge) to be discovered.

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It is the author's view that Grounded Theory is a strong candidate for exploratory research of non-repeatable and heterogeneous phenomenona: say, the politics of a systems development methodology or for investigating the interaction between IS executives and the Board. Domains where something changes and evolves over time also seem apposite for a Grounded Theory based investigation. An example of this, would be research into how problem recovery changes the way customers perceive Help Desk staff and vice versa. A third topic area of relevance is the study of social-political dynamics, such as, the decision-making concerned with project justification or the evaluation of implementation outcomes. However, whilst Grounded Theory may be good for deriving meanings from actor level events and situations it is perhaps not so effective in elucidating the general context, for these social interactions. However, this conclusion may be erroneous, resulting from an inadequate knowledge of Grounded Theory on the part of author or lack of experience with empirical data analysis.

6.3.2 How Should Grounded Theory be Used?

There is no need to rehearse the observations made earlier concerning data analysis Chapter 3.3). Instead, this Section develops the debate by using the general principles, devised Klein and Myers, (*op.cit.*), for structuring and judging interpretive field studies. The aim of the discussion is to identify some of the key success factors for using grounded theory as a methodology.

6.3.2.1 Principle One - The Hermeneutic Cycle.

This principle emphasises the need for the researcher to be aware of the interdependence of the parts with the whole of the phenomenon. The author found that analysis of the data, (fracturing into concepts), is well supported but trying to understand wholeness from each category is not quite so easy. This can be addressed by stepping out from the coding and returning to primary material, such as interview tapes or field notes, to get a more holistic feel about the research. Then, refreshed by this change, to return to analysis and examination of the detail. Intuitive *and* logical reasoning is the right frame of mind for achieving theory synthesis.

6.3.2.2   Principle Two – The Research Context.

(i)   It is both the grounding process and the sensitisation of the researcher to the domain that will likely have most influence upon the quality of the research outcome. With regard to the second factor, according to Kelle (*op.cit.* p. 14) quoting Dey, the interpretive investigator should develop, 'an open mind but not an empty head.' Thus, the effective use of the methodology requires the researcher to be aware of the general setting for the emerging theory (see also Principle Five below). The researcher has to be conscious of the domain, yet avoid the temptation to create mental hypotheses to be tested by grounding.

(ii)   Personal experience of the methodology suggests that a condition of being unburdened by existing prejudices or expectations is extremely difficult to achieve. Moreover, there is a general lack of advice in the existing grounded theory literature, to guide the novice researcher toward achieving a state of sensitisation without concomitant bias. A partial solution is to fully research the industry and company background from public sources, so as to understand the context, specific language and meanings before meeting the informants. The author found that preliminary discussions with people at a sample site who were not the interviewees (see 3.1.1.2) was not only essential to gain co-operation for data collection but also for helpful for sketching in the general environment and thus setting the scene for the research. On the spot observations recorded in a notebook also proved helpful for gaining an impression of the sites visited. Brief comment were recorded about the official titles of the interviewees, physical layout, such as closed or open plan, and the administrative efficiency of the company in their dealings with the author.

6.3.2.3   Principle Three – The Researcher and Informants.

(i)   Based upon experiences with this study, the author believes that the researcher needs to clearly recognise herself or himself, as an actor in the 'drama' of the research – not just the narrator. Personality and background affects interpretation of the research process and hence the eventual outcome. When using grounded theory, not only must the import of the data be continuously evaluated but the researcher should also reflect upon, his or her, interactions with the informants and the research domain in general. Here, the author posits that a form of 'Uncertainty Principle' operates. The observer and the observed cannot help but influence one another and these affects will be both unpredictable and emergent. There are some interesting and unexplored links here between the ideas of grounded theory and the precepts of action research.

(ii)   The author also believes that interviewing or observing are more than data collection techniques. Data collection is not only concerned with acquiring primary material but is also as means to gain necessary critical awareness from each encounter with the research and participants. The author believes that the scope of the grounded theory methodology should be expanded to fully recognise the initial stage of the research process as 'grounded awareness.' The self - monitoring of interactions and personal communication styles is consistent with the continuous comparison philosophy of Grounded Theory. The challenge is to find a practical way to embed reflectivity within the methodology. Building on the ideas of Brittan-White (*op. cit.*), the author suggests that a possible tool for this task is the 'Johari Window.' An example of using this for managing researcher-informant interactions within a grounded theory study can be found in Appendix 'F.'

6.3.2.4   Principle Four – Theory Abstraction and Generalisation.

(i)   This precept argues that principles One and Two may be utilised to treat the grounded theory as a special case of a more abstract theory. It is during the final, evaluative stage of the grounded theory process that limitations are identified and transferability of the theory to other domains established (see Section 6.1.3). With regard to guidance for grounded theory studies, the author suggests that a good starting point is to invoke this principle to establish the cogency and plausibility of the grounded theory. The author of this study tried to do this, (in Part Four) by identifying the provenance and significance of each abstract category, in terms of its location within a customer-supplier services conceptualisation of internal working relationships.

The validation of a substantive or contingent theory, partially depends upon the sampling philosophy and practices followed. Therefore, the choice of the divergent or contrast cases, is crucial for enabling the grounded theory researcher to say something meaningful about generalising the research findings, (see also 6.2.1 above). Unfortunately, the existing literature is mainly silent about the criteria for selecting these cases – further work in this area is to be welcomed!

6.3.2.5   Principle Five – The Researcher and Research Outcomes.

(i)   This embodies the idea of dialogical reasoning and is related to Principle Two. It is about dealing with contradictions between the assumptions underlying the research and the findings themselves: ensuring that the data truly speaks and its voice is not obscured by prejudices of the researcher. In additional to what has been discussed in Paragraph 6.3.2.4, two other ideas are suggested for managing bias, when attempting to draw meaning from empirical data.

(ii) Axioms need to be identified early, as part of the research context. The author suggests that this is the point where the influence of existing work upon the direction of the research should be acknowledged. Not only with regard to what a particular article says about a topic but also the affect of the *cumulative* weight of opinion upon the research direction.

(iii) A way to continuously evaluate an emergent theory is to keep looking for existing research findings that might refute the outcomes of the study. Contradiction or disconfirmation, whilst quite uncomfortable for the researcher, can help to identify problems that may stem from a research strategy that maybe is unconsciously inclined toward with a preconceived answer.

6.3.2.6   Principle Six – The Problem of Multiple Interpretations.

(i) This idea explicitly acknowledges an everyday occurrence: individuals have different recollections of similar 'facts', events and actions. This is a particular issue for the etic perspective, since the primary evidence represents the researcher's interpretation of what the informants think has happened. Data from this study provides an example where not only the ISO but each internal customer had their own and highly contentious interpretation of an IT service agreement.

(ii) Multiple perspectives may not be important for all studies. Obviously, the more the research is focused upon just one organization or set of actors like a project team, the more likely that differences in perceptions will affect research outcomes. This was not the case for the present research, which used data from seven different sites, so that the effect of any single event was smoothed out by the multiple sources. However, where there is a need to reduce over-complexity from events that are potentially laden with multiple meanings, the relevant statements should be coded to a single, rather than multiple concepts. This was the method that, perhaps, should have been followed for this study (see Paragraph 3.3.2.2).

6.3.2.7   Principle Seven – The Attitude of the Researcher.

(i)   This ideal (which is linked to Principle Six) suggests that the views of informants should not necessarily be taken at face value. That is, individuals will have their own set of biases that will affect the truth of their narrative. There are two ways to overcome this problem in a grounded theory study.

(ii)   Firstly, where politically and ethically possible, to play back to the informant an anonymous summary of relevant comments made by other informants. This will help the researcher to be made aware of the opinions of people, who might significantly distort interpretation of the data. Furthermore, this form of chaining of interviews, between different informants should also help to develop theoretical sensitivity in the researcher.

(iii)   Other forms of data are needed to confirm or contradict that gathered by interviewing or observation. For example, in this study, information about the relationship between the ISO and the business was obtained from texts, such as job descriptions and service management statistics. Sometimes, internal brochures and newsletters were available. This allowed knowledge to be gained about the official or public position of the ISO within the company.

6.3.2.8 Principle Eight – The Researcher and Research Processes.

(i) The seven rules explored above will hold for all interpretative studies. The author believes there is an another principle, which particularly applies to methodologies that employ data coding. This concerns an issue unreported in the literature: the bilateral link between process and people. This type of interaction was most clearly felt during an uncomfortable stage of the present research, when there is little to show for all the work necessary to identify the abstract categories. The grounded theory researcher needs to be aware that theory induction requires an act of faith that something worthwhile will eventually materialise from the data.

(ii) The author considers that the biggest danger from this apparent lacuna in the progress of the work is the potential impact upon the researcher's morale. A suggested solution to the problem is to 'build early – build often.' That is, to create from each and every iteration a series of prototype versions of the grounded theory; starting with the data from the first few interviews. The author thinks that if research deliverables are made visible throughout the grounding process, this would be highly motivational for the novice researcher. Furthermore, each version could be shown to the research informants who could help to validate the theory *en passant*, rather than at the end of the grounding exercise (see also Paragraph 6.1.2.3).

6.4. Summary of Research Findings.

The purpose of this, the final Chapter of the thesis, is to draw together the strands of the research. The Chapter consists of two Sections. Firstly, the contribution made to information systems, management theory and practice is stated. This is followed by some speculations, based upon the discoveries made by this study.

6.4.1   The Contribution to Knowledge.

6.4.1.1   Research Outcome One – the Substantive Theory Framework.

There are several gaps in the existing literature (see Section 6.1.3), which are addressed by the present study:

(i)   Although there is an extensive body of knowledge about external customer-provider services, the nature of this form of relationship within organizations remains <u>a relatively unexplored aspect of IS/IT research</u>.

(ii)   The individual is the unit of analysis for most studies of interactions between IS professionals and business users. In general, <u>there are far fewer examples concerning the activities of work or role groups within organizations</u>.

(iii)   There is no formal organizational behavioural theory that can be *easily* exploited to explore the relationships in question. Empirical investigations have also tended to concentrate upon a particular facet of ISO-business interactions and have not sought to <u>integrate separate aspects of relationship into a coherent theoretical understanding</u>.

(iv)   The author believes <u>the research has practical utility</u>. Although this study is an academic inquiry, aimed at the discovery and elucidation of a theoretical understanding, the outcome emerged from 'real world' activities and events. The author is cautiously optimistic that the framework can be further developed, to create a more general model that could be used to improve internal service management practice.

Accordingly, the first contribution to knowledge claimed is that:

> • The substantive theory framework provides a holistic view of the instrumental linkages between the in-house IS department and other organizational units of the business.

6.4.1.2.   Research Outcome Two – Grounded Theory in IS Research.

This study addresses two aspects of IS/IT research practice:

(i)   The quantitative perspective continues to dominate most IS/IT research. <u>This study takes an unusual approach, by using a purely qualitative, social perspective for the research.</u>

(ii)   Some investigations that purport to employ grounded theory just concentrate on the use of coding to identify themes in the data. Equally important elements, such as theoretical sampling, memos and the constant comparison method are ignored, or at least, not well reported. Few studies reflect upon the nature and use of the grounded theory methodology. This work <u>provides a complete example of the design and implementation of a grounded theory-based investigation.</u>

Thus the second contribution to knowledge claimed is that:

> The research identifies practical guidelines for conducting a grounded theory study of an IS/IT management topic area.

6.4.2 The Business and ISO Relationship – Concluding Remarks.

6.4.2.1 Nature.

(i)   The research aim was to discover the nature of the relationship between the in-house IS department with other parts of the business. It soon became clear to the author that the phenomenon was more than one based upon the conventional exchanges of resource and benefits. Although there were aspects of a customer-provider relationship predicated on task-based rationalism, the investigation discovered that trust, politics, reciprocity and friendship were also very important.

(ii)   Simply stated, the ISO-business relationship is:

A state of belief of a party about itself and the other party, constituted as a _gestalt_ of shared perceptions and expectations.

The state of these beliefs is continuously changing. This is because they are being made and remade by IT service-based activities, situated within a climate for service activities that is unique to an organization. A strong relationship is where belief states of the parties are continuously congruent.

(iii)   Business relationships are becoming increasingly complex: witness the seven organizations contributing to this study. Over the course of eighteen months, mergers and acquisitions have reduced the number to five. Moreover, even among the survivors, outsourcing deals have been signed for many services previously provided in-house. No doubt, re-alignments of the parties in the new situation will prove difficult to achieve, not least because changes will be contested by constituencies within the business, as much as the ISO. However, regardless of circumstances, this research enables generic management interventions for relationship development to be identified and these are discussed below.

6.4.2.2   Development.

(i)   The Business (Customer).

The right environment will help to address the problem of the so-called 'culture' gap between the ISO and the business but it is just not a matter for the ISO. The Business also needs to articulate those behaviours it wishes to be exhibited by the ISO. The author believes it the responsibility of corporate management to build a climate that encourages trust, rather than control of the IS department and that also supports reciprocity, not self-interest. This climate is likely to development through the realisation of the following initiatives:

(a)   A Shared Culture.

For a strong relationship to develop, the ISO and internal customers must be seen to *act* consistently in accordance with supposed common beliefs. This requires faith in the integrity and honesty of the other party, so that each can tell the other what they are truly thinking. In this way, damaging affects upon working relationships would then more likely be avoided, because individuals would be encouraged to act promptly to defuse misunderstandings, jealousy and suspicion of each other's motives. Here mutual knowledge seems to be the key, since there is evidence in the empirical data of the need for each party to 'educate' the other. A well planned and implemented programme would thus be directed toward developing understanding of values and world-views of other role groups. The thrust of corporate management initiatives would be to establish a common language shared between IS professionals and business staff. Good communication would raise mutual confidence in the skills, knowledge and emotional commitment of all those involved in the IS projects and service tasks. Shared protocols and norms, as ways of doing things, also need to be strongly promoted within and among the groups, to help the success of the *total* organization.

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(b)   Aligned Organizational Structures.

Improvements in the relationship may come from by changing organizational structures, to achieve a closer fit of the ISO with the business. What is meant here by 'structure', is not job titles but the roles of individuals and groups. Poor role differentiation can limit the sharing of common values, ideas and cross-functional teams. In part, this problem is consequent upon the uneven balance of power between the parties and this asymmetry can have a corrosive effect on the ISO-business relationship. Although most business activities nowadays are said to be collaborative, how often is it that the ISO professionals are is truly empowered to make decisions affecting the business, or have unfettered access to the resources necessary to fulfill the needs of an IS project? A sense of shared responsibility is essential for the success of a specific service activity and the on-going relationship itself. Furthermore, strong corporate leadership that inspires all parties is crucial. The need is to articulate a shared vision of 'we are all in this together', for ensuring the ISO is able to contribute and add value to the enterprise.

Although it is easier said than done, the author supports the dissolution of central, monolithic IT functions and their integration within business areas. The fact that this has not happened to any degree in the divergent case, for example, may be part of the 'silo' problem reported by the informants from this organization. As a counter-balance to the dispersal of responsibilities, the appointment of IT account managers can help to build a common customer focused approach, based around a 'one stop' shop for IS/IT services. This will assist the consolidation of internal relationship management within the fabric of the company. This change should also provide political support for the emerging role of the ISO as an agent for acquiring and overseeing all IT services on behalf of internal customers.

(c)   A Focus on Communication.

The effectiveness of the initiatives discussed above, may be severely compromised if there is little attempt to market, in the promotional sense of the word, the changes throughout the organization. For example, some of the case study organizations that have tried to move from a centralised, hierarchical to a distributed IS organization, with a flatter structures but have found that a not everyone is sympathetic to this way of working. One way of addressing this issue is through temporary secondment of IS staff to the business and vice versa. Collocation may also prove helpful, since it appears that when the IS and business are physically separated, communication between the parties suffers. Indeed, it is the author's firm conviction that relationships cannot be built on email. Face to face contact remains the most powerful form of interaction. Whilst this cannot always be possible, because of the exigencies of geography, it should be encouraged for every task and encounter within the relationship.

(ii)   The ISO (Provider)

(a)   Expectation Management.

It is not necessary to rehearse the detailed debate about customer expectations. It is sufficient to say at this point, that the development of realistic expectations should be a very important influence upon all the actions of the ISO. Personal attitudes are strongly affected by the attribution of outcomes with reference to prior expectations, both of self and of others. In the context of relationship development, interpersonal communications are therefore crucial for the creation of realistic and pragmatic expectations. These are likely to be formed when social actors continuously and clearly tell each other about what they already understand and what they would like to know about.

The empirical evidence from this study suggests that ISO is particularly vulnerable to false expectations about what it is able do and how it will do it. In part, this is because some of the assumptions about ISO performance originate from sources outside of the organization. Hence the need for the ISO to proactively manage expectations associated with every activity which, directly or implicitly, may give rise to a form of promise in the minds of the internal customers.

Expectations and performance, will jointly and severally, influence the customer's view of an IT service. However, although perceptions might well be derived from a particular activity, such as the quick resolution of an operational problem, the situation is more complex than this. The ISO must also be mindful of how service quality and costs will *generally* affect the credibility of the ISO, in the eyes of the business. A fair judgement is likely where there is openness between the parties. Specifically, a well-structured and transparent set of processes for service identification, prioritization and assessment of achievement will help avoid doubts or uncertainty, which may cause customer distrust of the ISO.

(b)   Perception Management.

The last paragraph in (a), above, directs the discussion toward assessment and evaluation. Assessment has an obvious informational utility, being the assuring of service quality. 'Evaluating', as an act of placing a value on the contribution of the ISO, is in the author's view, more to with the ease and satisfaction felt by the customer with the relationship itself, rather than a particular service. An evaluation strategy that includes external benchmarking can lead to higher levels of satisfaction with an internal service. Particularly, if the ISO had included the realisation of socio-political, as well as economic goals, within plans for the services to be offered.

Another challenge to the continuing relationship, arises from the attitudes of some IS professionals. There is no denying that a career in IT attracts individuals that tend to reinforce the non-expert's prejudice against introverted 'boffins', who are self-absorbed with technical challenges. Like all clichés, there is an element of truth in the view that for many IT staff, the completion of the task or the solution of the problem is all that matters: how things are done is not so important. However, the author believes that it is unfair to criticise IS professionals for lack of customer focus, if they are not given the chance to appreciate the organizational or business context for their work. A way of breaking out of this cultural box is for IS management to spend effort building the entrepreneurial and political skills of the IS/IT staff and educating business staff to understand some of the technical constraints upon the management of IT services.

Another issue that has a negative affect upon customer perceptions, is the imbalance of the remuneration paid to IS professionals compared to business/clerical staff. The data suggest that this disparity can be a source of friction within the relationship. It is a difficult problem to overcome, particularly in the hierarchically structured (role-graded) organisations, still found in many of the larger financial services and manufacturing companies. Where use is made of temporary, contract staff, an approach would be to promote the idea that the higher salaries for these specialists are trade-offs, for less job security. Perhaps an advantage of outsourcing is that these remuneration differences are hidden from the service customer; even if, ultimately, it is they who must pay for them!

From the discussion within this section of the research study, it may be concluded that the development, indeed, the continuance of the ISO-business relationship, requires a significant change to the attitudes and behaviours of both parties. In this context, the responsibility of the business (as the customer) is to set the environment wherein true internal partnerships can flourish. The mission of the ISO (as the provider) is not only to focus on a single purpose of adding value to the business but also to put as much effort into *managing customer expectations and perceptions as a striving for technical excellence of IT services.*

Finally, it is the author's view is that most, if not all, of the management interventions designed to improve the relationship will fail if the ISO and the other parts of the business do not to go forward together. A previous, seminal study of the ISO-business relationship used the metaphor of a marriage to describe the phenomenon. This thesis endorses that conceptualisation but would add that for many organizations it is an arranged marriage, or at best one of convenience. Whilst the challenges to the relationship are formidable, friendship, true reciprocity and mutual trust between the partners may, eventually, prevail.

"Seldom, or perhaps never, does a marriage develop into an individual relationship smoothly and without crises; there is no coming to consciousness without pain."

(Carl Custav Jung - Contributions to Analytical Psychology)

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APPENDIX A –THE 'GAP' BETWEEN THE IT FUNCTION AND THE BUSINESS.

Question	IT % Rating	Business % Rating	Gap (IT~Bus)
Corporate IT Leaders have successfully removed "techie" tag?	52	22	32
Corporate main board IT director provides strong leadership?	40	10	30
IT department's partnership abilities as good to excellent?	61	36	25
Corporate main board directors could be more supportive?	39	20	19
IT department is not unnecessarily bureaucratic?	58	41	17
Divisional business executives could be more supportive?	20	10	10
IT Department good to excellent value for money?	70	63	7
Corporate main board IT director strongly leads IT exploitation?	55	50	5
Chief Executive provides strong leadership?	30	32	- 2
IT Department understanding of business good to excellent?	67	68	- 1

Sample: Eight Hundred Organizations
Source: *Computer Weekly*, 11th December 1997.

APPENDIX B - INTERVIEW QUESTION SET.

Company:	Date:
Address:	Time:
Informant:	Job Title:
Telephone No.	Email:

Section A. The Business Organization.

Please cross or tick a choice that best matches your situation.

a.   Total number of staff employed in the U.K.

< 500   500 - 999   1000 - 2499   2500 - 4999   5000 +

☐   ☐   ☐   ☐   ☐

b.   The proportion of those staff that directly makes use of Information Technology.

<20%   21 - 39%   40 - 59%   60 - 79%   80% +

☐   ☐   ☐   ☐   ☐

c.   Number of separate locations within UK where information technology is used.

1   2 - 9   10 - 49   50 - 99   100 +

☐   ☐   ☐   ☐   ☐

d.   The number of years the Organization has been doing business in the UK.

< 10   10 – 24   25 – 49   50 – 99   100 +

☐   ☐   ☐   ☐   ☐

Section B. The Systems/Technology Organization.

Please cross or tick one box for the choice that best matches your situation.

a.   The number of IS/IT staff employed on a permanent or contract basis within the UK.

<25   25 - 49   50 - 124   125 - 249   250 +

☐   ☐   ☐   ☐   ☐

b.   The Annual IS/IT Operating Budget (£m).

<1   1 - 4.99   5 – 9.99   10 - 19.99   20 +

☐   ☐   ☐   ☐   ☐

c.   The Maturity of the ISO Organization. Please indicate how years the ISO has existed within the organization.

<5   5 - 9   10 - 14   15 - 19   20 +

☐   ☐   ☐   ☐   ☐

c.   The Range of ISO Services Offered by your ISO – Actual.

Refer to Overleaf for a brief definition of services. Please rank the importance of that service to internal customers as it is currently by placing the following code in the relevant box:

0 =   Not provided/Not Applicable   1 =   Little importance
2 =   Some importance   3 =   Important   4 =   Very Important

1.Administration of data	2.Administration of system security	3.Analysis of business systems	4.Assurance of quality	5.Capture of data
☐	☐	☐	☐	☐

6.Development of systems	7.Education of non -IS/IT staff	8.Evaluation of packaged solutions	9.Integration of IT	10. Management of change programmes
☐	☐	☐	☐	☐

11. IT Infrastructure Management	12. Management of IS/IT projects	13. Management of external sourcers	14. Planning of strategy	15. Processing of Information
☐	☐	☐	☐	☐

16.Support (end-users)	17.Support (technical)	18.Training (end-users)	19. Training (technical)
☐	☐	☐	☐

d.   The Range of ISO Services Offered by your ISO – Desired.

Please rank the importance of that service to internal customers as it is should be by placing the specified code in the relevant box:

1.Administration of data	2.Administration of system security	3.Analysis of business systems	4.Assurance of quality	5.Capture of data
☐	☐	☐	☐	☐

6.Development of systems	7.Education of non -IS/IT staff	8.Evaluation of packaged solutions	9.Integration of IT	10. Management of change programmes
☐	☐	☐	☐	☐

11. IT Infrastructure Management	12. Management of IS/IT projects	13. Management of external sourcers	14. Planning of strategy	15. Processing of Information
☐	☐	☐	☐	☐

16.Support (end-users)	17.Support (technical)	18.Training (end-users)	19. Training (technical)
☐	☐	☐	☐

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1. **Administration of data.**

- Maintenance of the data dictionaries.
- Provision of corporate data definitions.
- Advising on the location of data.
- Modeling of data structures.
- Support of information retrieval, manipulation and analysis software tools.
- Maintaining database management software.
- Planning data migration.
- Tuning database management software.
- Management of web sites.

2. **Administration of system security.**

- Formulation of standards for data safeguarding data privacy and integrity
- Enforcement of standards
- Management of contingency recovery planning.
- Specification of controls and checks on processes.
- Audit of applications and operational procedures.
- Overseeing adherence to data legislation and regulation.

3. **Analysis of business systems.**

- Consultancy and advice concerning problems and opportunities open to use of IT.
- Definitions of requirements for change.
- Conduct of documentation, feasibility and scoping studies.
- Construction and interpretation of system models.
- Formulation of options for potential information systems.

4. **Assurance of quality.**

- Definition and maintenance of development and operational standards and guidelines.
- Monitoring adherence of IT based products; processes and procedures to agreed standards.

5. **Capture of data.**

- Centralised data entry of data by keyboard.
- Centralised entry of data through use of scanning.
- Centralised capture of image documents.

6. **Design and development of business systems.**

- Translation of business needs Identification into possible technical solutions.
- Planning of hardware and software components of an IT based system.
- Creation of prototypes applications.
- Definition of logic structures for processes, databases and human computer interfaces.
- Developmental Programming.
- Testing of written or acquired software.
- Web Design

7. **Education of non-IS/IT staff.**

- Development of general knowledge of IS/IT.
- Presentation of the principles and concepts of specific systems or business applications software.

8. **Evaluation of packaged solutions.**

- Identification of package solutions.
- Preparation of requests for proposals.
- Evaluation of vendor proposals.
- Acquisition of software solutions.
- Integration of information technology.

9. **Integration of information technology.**

- Investigation of suitable 3rd party hardware, software and support to provide an IT based solution.
- Negotiation with vendors.
- Management of the commissioning, testing, and live installation of the integrated solution.

10.   Management of change programmes.

- Definition of business projects enabling large-scale organisational change.
- Planning, controlling and resourcing rolling series of multiple business projects.
- Re-engineering of business processes.

11.   Management of projects.

Planning, controlling and execution of individual IS or IT based projects.

12.   Management of the IT Infrastructure.

- Study of possible IT/systems architectures.
- Selection and maintenance of systems software.
- Installation, upgrade and modification of IT hardware and support equipment.
- Planning, installation and commissioning of LAN/WAN data and voice communication networks.
- Management of IT configurations.
- Architecture of Middleware
- Planning and monitoring of IT processing capacity and performance.

13.   Management of Third Party Sourcers.

- Selection
- Monitoring and Review of Performance
- Payment

14.   Strategy.

- Researching IT and methods innovation.
- Scenario evaluation.
- Alignment of the IS function to business needs and objectives.
- Definition of IT benefits.
- Identification and prioritisation of potential IS/IT projects.
- Planning IT service delivery.
- Formulation of financial, technical and human resource budgets.

15.   Production of information.

- Processing of data.
- Management of corporate databases.
- Control and distribution of output information (electronic or paper forms).
- Administration of archival information.

16.   Support (of end-users).

- Processing inquiries.
- Provision of help and guidance.
- Liaison with customers.

17.   Support (of technical activities)

- Management of systems rollout.
- Resolution of operational problems.
- Managing changes to application software.
- Distribution of software.
- Managing changes to the IT infrastructure.

18.   Training (of technical staff).

- Improving the technical skills base of IS/IT staff.
- Improving the communication and interpersonal skills of IS/IT staff.

19.   Training (of end-users).

- Enabling use of application specific IT based facilities and functions.
- Introduction of generic IS tools and techniques.

1-Organizational Roles

Are external organizations such as software houses and outsourcers viewed as serious competitors to the ISO?
Are ISO resources are fairly apportioned?
Are service receivers free to choose a their service provider?
Do what extent are important are financial factors when choosing a provider for a particular service or product?
Do you think that the primary aim of the ISO is s the development and implementation of information technology?
Do you think that the primary aim of the ISO is the provision of a business service to the parent organization?
Does the ISO appropriately employ its resources to provide services wanted by service receivers?
Does the provider (ISO) and the receivers operate within an "internal market?"
Are internal service plans and external service plans aligned?
Is the value of differing levels of proportion of income to be spent on ISO services are evaluated?
Is the value to the service receiver brought into IT investment decisions?
Is the purpose of IT services to support compliance with legal and statutory requirements for the enterprise?
Is the purpose of IT services to support the development of the image and reputation of the enterprise?
Is the purpose of IT services to support the sales and /or profit growth of the enterprise?
Is there an agreed corporate strategy for internal services?
What part should the ISO have an in delivering business benefits?
What are the external business market constraints upon the ISO as a service provider?
What do you consider to be the primary mission of the ISO?

2-Organizational Culture.

Are interpersonal skills treated as important as technical skills for all ISO staff?
Are ISO management is perceived to operate an "open door" personnel policy?
Are ISO services are provided with the minimum of bureaucracy?
Are new ISO staff are given enough time and opportunity to learn their job?
Do you think there are cultural differences between ISO and the Business?
Does the ISO take calculated risks to improve the quality the service provision?
Is a contribution made to service excellence is explicitly rewarded in a non-monetary way?
Is a contribution made to service excellence is explicitly rewarded within the remuneration structure?
Is a sense of the importance of service quality regularly communicated by management to IT staff?
Is personal performance appraised against service quality targets are included within job descriptions?
Is previous marketing/sales/customer support experience is looked for when recruiting ISO services staff?
Is staff training and development considered an investment not an expense?
Is technical excellence is the main requirement for a successful service?
Is the ISO management allowed to fully participate in business strategy decision-making?
Is there an emphasis on service within the corporate mission or expression of strategy?
Should quality underpin the activities of internal service providers?
To what extent is there compartmentalization within the ISO structure?
What do you think the cause is of the differences between the ISO and the business?

3-Organizational Politics.

Are the responsibilities of ISO staff accepted by all service receivers?
Are the responsibilities of user staff accepted all within the ISO?
Does the ISO staff responsible for supporting existing services have an influence upon the development of new services?
Do the number of IS organizational levels prevent understanding of the needs and expectations of service receivers?
Does the current ISO structure allow operational service needs to have an appropriate influence on IS/IT strategy?
Does Top Management give their support ISO to become customer focused?
To what extent is the ISO be 'politically' neutral in its dealings with the Business?
What decision-making powers given to those members of the ISO staff directly responsible for providing ISO services?

4- Delivery of Services.

Are ISO operational staff easy for you to contact?
Are ISO service offerings rigorously tested for acceptability as a service before they are introduced?
Are service quality issues regularly communicated to ISO staff?
Do users always know whom to contact in ISO when assistance is required?
Does an information system exist to enable the support of the ISO service offerings to be managed?
How are receiver expectations of operational services conveyed to by ISO staff?
How are service prioritization policies implemented?
How important is external communication between service receivers and ISO service staff concerning the quality?
How is quality issues communicated between ISO managers and ISO staff?
How do ISO staff keep ISO management updated with changes that might effect the ISO as service provider?
How is analysis of service failures undertaken?
Is proactive use made of service level agreements for specifying target service levels?
Is use is made of marketing ideas within the processes for the delivery of ISO services?
What is done to improve receiver acceptance of a new ISO service?
What software tools is used to manage the provision of services?

5-Development of Services.

Are formal market research techniques used to identify future IT service needs?
Are new services fully prototyped before implementation?
Are the ideas of the marketing mix used to plan new service offerings?
How are ISO staff encouraged to suggest improvements and new ideas for ISO services?
How are service receivers involved in the development of new services to be offered by the ISO?
How is knowledge about the external environment (including potential competitors to ISO) disseminated within the ISO?
How much ISO managerial attention is focussed researching the needs and wants of the service receivers?
Is a detailed record kept of past IS/IT projects and which is used to plan new services?
Is new services innovation and research incorporated within the ISO structure?
Is segmentation of internal customer base used to plan future ISO services?
Is use is made of marketing ideas within the processes for the development of ISO services?

6-Evaluation of Services.

Are ISO be financially penalised if they fail to meet receiver expectations?
Are the opinions of service receivers are the best way to assess the quality of the services provided?
How are quality issues communication between service receivers and ISO management?
How are service performance capability tested against external benchmarks/standards?
How does the ISO services contribute to the effectiveness/efficiency of the enterprise?
How does Management give feedback to staff of comments about the quality of service received?
How does the ISO provide you with information to enable you to monitor the quality of services they provide?
How does the ISO services contribute to the effectiveness/efficiency of the work group?
How is individual accountability for the quality of service provided conveyed by ISO management to all ISO staff?
In what ways does the ISO demonstrates its track record of success for the services it has provided?
Is quality performance monitoring and review incorporated within the ISO structure?
Is Services cost monitoring incorporated within the ISO structure?
Is the quality of existing ISO provided services regularly assessed?
Is there an audit of achievements against specified service values evaluated in post implementation project reviews?
To what extent do external marketing considerations influence the charge out of ISO services provided?
What techniques are employed by the ISO for assessing the quality of the services offered?

7-Service Management Role.

Does each ISO service organization work differently with service receivers?

Would more knowledge about each other help co-operation?

Do the ISO staff have sufficient face-to-face meetings for service receivers?

Do you give the level of involvement asked for by the ISO?

Do you give the give the level of involvement asked for by the ISO?

Do you think that the position of physical proximity is necessary for team working?

Do you think that steps need to be taken to bring ISO and the Business closer?

Is team working part of personal development all ISO staff have some direct contact with service receivers?

Should account management incorporated within the ISO functions?

Is there interchange or temporary secondments between ISO and staff from the IS service receiver in the business?

Should the ISO be included within business projects of the organization?

What is the general image of the ISO within the Business?

What general image do the service receivers have in the ISO?

Should the ISO and its Service be Promoted?

Does the ISO get support from top/senior management for the service they provide by?

8 - Service Individual Role Inputs.

Are expectations of what ISO can provide are generally realistic?
Are ISO staff able to support the range of services they attempt to provide to you?
Are ISO staff given enough education and training in personal and business skills?
Do expect ISO staff understand the mission and general objectives of the organization?
Do expect that that the ISO will act in your best interests?
Does the ISO staff consult you on decisions that might have an impact on the services they provide to you?
Does the ISO staff keeps you advised of progress made with the work you have requested?
Does the ISO staff make known to you the potential cost of the work you requested?
Does the ISO staff respond quickly to requests for work you want done?
Does the ISO Staff tell you what is involved in satisfying your request for a service?
Do you think that you expect too much or too little from others?
Does the ISO communicate operational processes and procedures for the services they provide to you?
Do you communicate what to expect from others?
Does ISO staff in their communications use the language with you, clear and jargon frees?
Is there a clear understanding by ISO of receiver expectations necessary for a high quality service?
To what extent do the expectations of service receivers influence the overall management of the ISO?

9 – Service Individual Role Outcomes

Are the ISO service staff willing to help you?
Are the ISO Staff courteous in their dealings with you?
Are the services you request of the ISO performed on time as promised?
Do feel that the ISO is sympathetic to your particular concerns and problems?
Do ISO staff always try to keep their promises?
Do ISO Staff carry out the requested tasks correctly?
Do ISO staff convey the impression that they enjoy helping you solve your service problems?
Do ISO staff seem to act well under pressure?
Do the ISO Staff seem ready to give assistance to you?
Do the ISO service staff instill confidence within you?
Do the ISO Staff instill a feeling of confidence in you?
Do think that the ISO provides 'value for money' for the services they provide to you?
Do you feel able to complain to someone in ISO about a service problem?
Do you feel that you can get personal attention from ISO staff?
Do you think the staff of the ISO clearly understands the ISO mission and general objectives?
Does the behaviour and personal appearance of the ISO staff convey a favourable image of the ISO to you?
Does the description of ISO service jobs match practice?
Is the most common cause for operational failure is mainly due to lack of motivation to use the service?
Is the most common cause for operational failure is mainly due to poor technical design?
Is the most common cause for operational failure is mainly due to poor understanding of the service?
Is the name you use for others "client/consumer/customer/end-users/partner?"

APPENDIX C - INTERVIEW TRANSCRIPTION STANDARDS.

- Always make spelling, spacing etc., of repeating speaker identifiers, question headers, section headers, topic headers, absolutely uniform throughout text, e.g. QU1: OR Q1: not a mixture of both.

- Create clear line space between paragraphs.

- Don't have a line space between speaker identifiers and topic headers etc. and the text associated with them.

- Don't depend upon word processing display characteristics to indicate things (emphasis etc) about your text e.g. bold, italic, underline, e.g. do not use emboldening or italics alone to identify the respondents speech.

- Use a clear speaker identifier instead, preferably in upper case. This will allow case-sensitive searches for the speaker identifiers.

- Don't use bullet points in the interview transcript.

- Do transcribe in a fixed width font - like Courier or Courier New. Make the points size 10 or bigger. Use the usual default margins of 3.17 cm.

Source: Introducing NUD*IST-4 Handbook.

APPENDIX D1 – OPEN CODING NODE STRUCTURE.

Node (Topic Area v Table Five)	Sub-Nodes (v Appendix D2)
1-Organizational Role	General Business Factors, Third Party Management
2-Organizational Culture	General Organizational Factors, Management Style Mythology and Stories, Symbols
3-Organizational Politics	Arranging Jobs and Responsibilities Image with Others
4-Delivery of Services	Designing, General Technical Factors, Packaging, Responding, Supporting
5-Development of Services	Common Objectives, Defining Goals, Investment Decision-Making, Structuring Service Goals
6-Evaluation of Services	Monitoring, Reviewing
7-Service Management Role	Commitment, Collaboration and Conflict, Leading, Promoting, Reciprocity, Reliance on Others, Respect for Others
8-Service Individual Role - Inputs	Establishing Expectations, Inter-Work Group Awareness in Development, Inter-Work Group Awareness in Delivery, Intra-Group Awareness in Development, Intra-Work Group Awareness in Development,
9-Service Individual Role - Outcomes	Fulfillment of Expectations, Mutual Labeling

APPENDIX D2 – THEORETICAL CONCEPTS.

Title of the Concept	Elements[A]	Documents[B]
General Organizational Factors	282	26
Commitment	197	23
Inter Work Group Awareness in Service Operations	189	21
Collaboration and Conflict	147	23
Management Style	147	22
Establishing Expectations	134	24
Arranging Jobs and Responsibilities	128	21
Reliance on Others	128	19
Fulfillment of Expectations	123	20
Intra -Work Groups Awareness in Service Development	112	22
Common Goals	112	22
Designing a Service	106	21
Intra Work Groups Awareness in Service Operations	103	18
Reviewing Service Outcomes	99	22
Leading	97	22
General Business Factors	89	21
Monitoring Service Outcomes	87	21
General Technical Factors	81	21
Reciprocity	78	21
Inter Work Group Awareness in Service Operations	69	16
Responding to Service Needs	63	18
Supporting a Service	48	15
Structuring Service Goals	42	15
Packaging	33	16
Service Investment Decision-Making	28	17
Image of Others	22	11
Labeling	19	9
Links With Third Parties	19	7
Respect for Others	16	11
Symbols	13	7
Promoting	12	9
Defining Service Goals	10	7
Mythology and Stories	10	5

[Note A: Number of text elements associated with the concept, including multiple codes]

[Note B: Number of documents wherein the concept was found.]

APPENDIX D3 – THEORETICAL CATEGORIES
FROM THEORETICAL CONCEPTS.

Concept	Development	Category	Group
Collaboration and Conflict in work	Renamed	Participating	Process
Commitment	Unchanged	Commitment	Perception
Defining Service Goals	Integration	Agreeing	Process
Designing of a Service	Integration	Performing	Process
Establishing Expectations	Renamed	Promising	Process
Fulfilment of Expectations	Renamed	Satisfaction	Perception
General Business Factors	Integration	Climate-Policy	Context
General Organizational Factors	Integration	Climate-Culture	Context
General Technical Factors	Integration	Climate-Policy	Context
Common Goals	Renamed	Focus	Perception
Image of Others	Integration	Credibility	Belief
Inter Work Group Awareness in Development	Integration	Understanding	Attitude
Inter Work Group Awareness in Operations	Integration	Understanding	Attitude
Intra Work Groups Awareness in Development	Integration	Understanding	Attitude
Intra Work Groups Awareness in Operations	Integration	Understanding	Attitude
Leading	Renamed	Envisioning	Process
Monitoring Service Outcomes	Integration	Evaluating	Process
Labels	Integration	Understanding	Attitude
Mythology	Integration	Trustworthiness	Belief
Supporting a Service	Integration	Performing	Process
Packaging a Service	Integration	Performing	Process
Promoting	Integration	Credibility	Belief
Reciprocity	Renamed	Dependency	Belief
Links With Third Parties	Integration	Dependency	Belief
Reliance on Others	Renamed	Trustworthiness	Belief
Respect for Others	Integration	Credibility	Belief
Responding to Service Needs	Integration	Performing	Process
Reviewing Service Outcomes	Integration	Evaluating	Process
Service Investment Decision-Making	Renamed	Prioritising	Process
Arranging Service Jobs and Responsibilities	Renamed	Assigning	Process
Management Style	Integration	Climate-Design	Context
Structuring Service Goals	Integration	Agreeing	Process
Symbols	Integration	Trustworthiness	Belief

APPENDICES E1 - E16 THEORETICAL CATEGORY DEFINITIONS.

Category	Appendix E1 - Agreeing
Phenomenon Definition	The identification by an individual of the goals for a service.
Properties & Dimensions	• Formality Verbal--------Written • Regularity Ad-hoc-------Planned • Speed Slow----------Quick
Causal Conditions & Properties	*The events or factors that lead to the phenomenon:* • A problem with an ISO Service -Severity of the problem • A request to develop new or a redesign new ISO Service - fit with known IT Strategy - scope of change -clarity of requirements -intensity of customer involvement required for success • A review of project outcomes
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Communications between individuals (understanding-political) • Existence of a business framework or strategy or CSFs (climate-policy) • Existence of a customer first philosophy (climate-culture) • Existence of a standard technical architecture (climate-policy) • Existing mutual perceptions and positions of the parties (understanding-political) • Link of outcomes to reward for ISO (climate-culture) • Nature of corporate costing systems (climate-policy) • Rigidity of ISO procedures (climate-policy) • Senior management interest in service problems (climate-policy) • The hierarchical structure of the Business and the ISO (climate-design)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Allocate more time/resource to innovation and research • Apply service agreements honestly • Clarify measurements basis • Clarify needs in advance of work undertaken by ISO • Communicate more clearly customer needs to ISO • Define both customer and ISO within a project • Ensure that service fully project sponsors are informed about all assumptions, dependencies and contingencies of service projects • Joint meetings of ISO development and support with customers • Make careful comparison of ISO-Customer plans • Sell ISO services
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Advanced warning for all parties of future demand [focus] • Alignment with corporate C. S. Fs [focus] • *Alter gaps in knowing what to expect [understanding]* • Better basis for resource allocation to competing activities[focus] • Closer alignment of IS development and support [focus] • *Concentration on outcomes not the management of project [focus]* • Decision making about customer needs [prioritizing] • Improved forecast of potential project failure [focus] • Reduced ambiguity of requirements [focus] • Reduced frustration with allocation of costs [understanding] • Reduction in conflict between ISO and customers [focus]

Category	Appendix E2 - Assigning
Definition	The division for an individual between the authority, accountability and responsibility of a service role.
Phenomenon Properties & Dimensions	• Choice Voluntary------Obligatory • Continuity Little----------Sustained • Frequency Seldom---------Ongoing • Scope Limited---------Wide
Causal Condition	*The events or factors that lead to the phenomenon:* • An occurrence of a ISO service problem • The recognition of the need to change a business process • The initiation of an new ISO service or change to an existing service
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Communications between individuals (understanding-political) • Management systems for assigning tasks (climate-policy) • Personal autonomy given to individuals (climate-culture) • The complexity of the organization (climate-design) • Ways of choosing between alternative projects (climate-policy)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Centralise all financial aspects of services provision • Co-locate ISO service management personnel with customers • Delegate account managers to act as first stage filters for request ISO service work • Develop account management, services planning and consultancy group • Develop SLAs for all elements (including third parties) in the service delivery chain • Empower ISO service project managers and front-line operational staff to make decisions • Ensure that project sponsor is clearly responsible for benefit delivery • Ensure there is ownership of all ISO service problems • Establish responsibilities sponsor support for ISO project managers • Focus management of all third party IS/IT resources through ISO • Identify owners of all processes within the ISO and other organizational units • Implement proactive management of risk management for ISO service projects/tasks Include marketing the ISO in the job roles of appropriate IS staff and executives • Include SLA objectives in relevant ISO job roles • Minimise the number of hierarchical role levels in ISO • Put in place special justification processes for services departing from agreed standards • Tie service accountabilities (outcomes) to responsibilities for process • Transfer authority for purchase of some I.T. from ISO to customers
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Development of a sense of what is needed for success [focus] • Identification of individuals answerable for service benefit/outcomes [focus] • Needs for delivery of service project benefit clarified [focus] • Overload with detail of some ISO managerial job roles [focus] • Ownership of problems clarified/obscured [focus] • Recognition of the implications of the shared vision [focus] • Some individuals accountable for outcomes not under their control [focus] • Success/failure to identify, clarify and accept risks associated with goals [focus]

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Category	Appendix E3(a) – Climate (Culture)
Definition	The general set of enduring meanings and perspectives referred to by the parties when performing their relationship roles.
Phenomenon Properties & Dimensions	• Not Known

Causal Condition	*The events or factors that lead to the phenomenon:*
	
	• Changes to external environment
	  - Complexity - Low--------------------------High
	  - Dynamism - Weak-------------------------Strong

Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • The external environment (political economic social legal market technological)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Not known
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Championing of creativity [credibility] (extent) • Promotion of team working [trustworthiness] (extent) • Emphasis upon customer orientation [credibility] (extent) • Accentuation of loyalty [trustworthiness] (extent) • Encouragement of opinion diversity [trustworthiness] (extent) • Prominence given to integrity [trustworthiness] (extent) • Support for openness [trustworthiness] (extent) • Endorsement of probity [trustworthiness] (extent) • Recognition of individual accountability [trustworthiness] (extent)

Category	Appendix E3(b) - Climate (Design)
Definition	The general organizational structure referred to by the parties when performing their relationship roles.
Phenomenon Properties & Dimensions	• Not Known

Causal Condition	*The events or factors that lead to the phenomenon:*
	
	• Changes to business environment
	
	   - Complexity Low-------------------------High
	   - Dynamism Weak----------------------Strong

Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • The external environment (political/economic/social/legal/technological)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Not Known
Consequences	*The intended or unintended outcome of implementing the action strategy:* • *Capability of third parties by each organizational unit [dependence](intensity)* • Functional ability to translate strategic to be operational plans [dependence] (intensity) • *Internal competition between organizational units [dependence] (intensity)* • Jobs included multiple roles [dependence] (intensity) • *Organizational unit autonomy for financial resource deployment [dependence] (intensity)* • Resources distribution across organizational unit boundaries [dependence] (intensity)

Category	Appendix E3 (c) - Climate (Policy)
Definition	The general set of strategies, guidelines and management principles referred to by the parties when performing their relationship roles.
Phenomenon Properties & Dimensions	• Not Known
Causal Condition	*The events or factors that lead to the phenomenon:* • Changes to external environment - Complexity - Low------------------------High - Dynamism - Weak------------------------Strong
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • The external environment (political/economic/social/legal/technological)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Not Known
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Attention paid to innovation and research [credibility] (extent) • Enforcement of standards and guidelines [trustworthiness] (rigidity) • Exercise of financial constraints [dependence] (stringency) • Mechanisms for promulgation of plans [credibility] (responsiveness) (frequency) • Stance to the adoption of new technologies [credibility] (rapidity) • Use of internal market [dependence] (extent)

Category	Appendix E4 - Commitment
Definition	A feeling of an individual that others are willing to deploy resources to realize the goals of a service.
Phenomenon Properties & Dimensions	• Duration Short------------------Enduring • Strength Weak------------------Strong
Causal Conditions & Properties	*The events or factors that lead to the phenomenon:* • Announcement of service outsourcing [envisioning](acceptance) • Change to project scope[promising](clarity) • Change to technical platforms[promising](importance) • Fulfillment of pledge to solve a problem [promising](realism) • Initiation of project feasibility study [envisioning](clarity) • Need for project resource planning [participating](responsiveness) • Translation of corporate goals into IS/IT goals [envisioning](extent) • User definition of requirements[participating](degree)
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Business Change [climate-policy] (pace) • Closeness of participants in a project [trustworthiness](extent)(intensity) • Communication of requirements [understanding-knowledge)(clarity) • Examples of good/bad behaviours [trustworthiness](extent) • Freedom of choice for source of technical support[climate-policy](degree) • General attention to the needs of individuals – [trustworthiness) (extent) • Persuasive powers of individuals [understanding-political](strength) • Recognition of technical constraints on systems by users [understanding-knowledge)(clarity) • Reliance upon others in the team approach [trustworthiness](intensity) • Use of external providers [climate-policy](extent)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Careful management of predicted service risks and rewards [promising] • Implement cross functional teams [participating] • Include soft elements with benefit audit [evaluating] • Input to corporate objectives [visualising] • Interpret agreed goals and plans as plans for working together [participating] • Use personal rather than administrative systems for communication [participating]
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Explicit emotional contribution of other party to success [trustworthiness]

Category	Appendix E5 - Credibility
Definition	The conviction of a party that an agreed role will be performed by the other party to the relationship.
Phenomenon Properties & Dimensions	• Duration Short--------------------Enduring • Extent Specific-----------------General • Intensity Low---------------------High
Causal Condition & Properties	*The events or factors that lead to the phenomenon:* • Articulated Respect of the ISO with different business groups [satisfaction] (reach)(range) • Benchmarking score of ISO against external standards [satisfaction] (regularity) • Education by ISO of business groups about service processes [satisfaction] (completeness) • Examples of ISO providing service to senior business executives [satisfaction] (extent) • Existence of ISO strategies to counter discrediting by third parties • ISO seen as unnecessarily expensive by business [satisfaction] (intensity) • ISO service failure recovery examples [satisfaction](frequency and thoroughness) • Proven ability of ISO to deliver IT service day-to-day [satisfaction](clarity) • View of ISO as adding value [satisfaction] (clarity (scope)
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Awareness of what the customers wants and expects [understanding-knowledge](clarity) • Corporate 'memory' of past ISO success or failure [climate-values](duration) • General 'introverted' character of IS [understanding-political](pervasiveness) • Impact of third parties [climate-policy] (reach)(range)(longevity) • ISO management control over finances [climate-design][climate-policy] (extent) • IT knowledge as a qualification of senior/BOD management [climate-policy] • Technical knowledge of infrastructure design constraints [understanding-knowledge](clarity) • Use of account managers [climate-policy](extent)
Action Strategies	*The goal related activities performed in response to existing conditions:* • ISO Publicising outcomes(evaluating) • Managed judgement of outcomes (evaluating) • Use of IT staff as external account managers (performing)
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Celebration of success [satisfaction] • Failure hidden [satisfaction] • Formal recognition of achievement [satisfaction]

Category	Appendix E6 – (Dependence)
Definition	The conviction of a party that their performance is contingent upon the resources deployed by the other party to the relationship.
Phenomenon Properties & Dimensions	• Duration Short------------------Enduring • Extent Low------------------High
Causal Condition & Properties	The events or factors that lead to the phenomenon: • ISO effort devoted to finding common applications [focus] (frequency) • ISO seen to take the lead for new developments [focus](frequency) • *Mutual acceptance of accountabilities for the outcome of service activities [focus] (intensity)* • *Mutual confidence placed in the validity of the job selection and prioritization [focus] (intensity)* • Role of ISO seen as coordinator [focus] [intensity] • *Shared recognition of the resourcing problems of the other party [focus] (intensity)*
Intervening Conditions and Properties	The events or factors that constrain or enable phenomenon taking place: • *Emphasis upon internal working partnerships [understanding-political](extent)* • *Flexible ISO and business structures [climate-design](degree)* • *General use of a third parties by the business [climate-policy] (extent)* • Geographic Co-location of ISO and business climate-design] (extent) • Internal services can be 'sold' into the business [climate-policy] (extent) • ISO awareness of business complexity [understanding-knowledge](extent) • Pace of organizational change within the organization [climate-design] (extent) • Resource-based competition between departments [climate-policy][climate-design] (extent) • *Structure of organization disallows/allows ownership of resource [climate-design] (extent)* • Team feeling of common responsibility for delivery [understanding-political](extent)
Action Strategies	The goal related activities performed in response to existing conditions: • Use account management to establish goals[agreeing][prioritising] • Establish role of ISO in business problem solving [assigning] • Get Board of Directors to take responsibility for IS/IT strategy[assigning]
Consequences	The intended or unintended outcome of implementing the action strategy: • Agreed working with different partner-providers [focus] • Political conflict over IT service resource ownership [focus]

Category	Appendix E7 – (Envisioning)
Phenomenon Definition	The offering by an individual of a creative, imaginative or inspirational idea for a service.
Properties & Dimensions	• Extent Specific-------General • Formality Verbal---------Written • Regularity Adhoc---------Continuous • Speed Slow-----------Quick
Causal Conditions & Properties	*The events or factors that lead to the phenomenon:* • Initiation of Cultural Change Programme • Request to develop a new service • Survey of customer needs
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Communications between individuals (understanding-emotional) Communications between individuals (understanding-political) • General reluctance or to take risk or converse (climate-culture) • Leadership qualities and norms of senior management (climate-culture) • Reward for innovation and creativity (climate -culture)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Adopt customer Focused values • Align reward structures to success • Emphasis upon innovation is seen as the core competency. • Ensure that senior IS managers 'walk the talk.' • Focus on written and verbal communications and customer-facing skills for all • Implement corporate workout programmes • Invest in leadership development • Invest in service management training • Link success to process outcomes • Reinforce continuously customer service message • Sanction non performance • Self definition of service processes • Show customers the "big picture" for an individual service task • Track changes to values and beliefs • Train individuals to handle continuous change
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Acceptance of customer ownership of application portfolio [commitment] • Enhanced acceptance/importance/visibility of responsibility for SLAs [focus] • Enhanced visibility of change [commitment] • Higher levels of involvement [commitment] • Improved accountability [focus] • Improved honesty and openness [trustworthiness] • Improved morale [commitment] • Improved perception of positioning to customer needs [commitment] • Lack of buy-in [commitment] • Realignment of core values [commitment] • Resistance to change [commitment]

Category	Appendix E8 – (Evaluating)
Definition	The judgement by an individual about the performance of a service.
Phenomenon Properties & Dimensions	- Continuity Little----------Sustained - Extent Limited--------Comprehensive - Frequency Seldom--------Often - Regularity Adhoc--------Planned
Causal Condition	*The events or factors that lead to the phenomenon:* - The initiation of a new or change to an existing ISO service - The deployment of new or changed ISO service - A review or audit of an operational ISO service
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* Communications between individuals (understanding-knowlegel) - Communications between individuals (understanding-political) - Emphasis upon learning (climate-culture) - Existence of proven assessment systems (climate-policy) - The policy for benefits management (climate-policy)
Action Strategies	*The goal related activities performed in response to existing conditions:* - Action all customer comments received through surveys - Assess contribution of all organizational units not just ISO - Assess customer opinion by qualitative and quantitative measures - Build ongoing service improvement into all ISO service projects - Carry out CBA for all but very small scale service maintenance - Check third parties and contract resource is providing VFM - Devise measurements to cover both specific and holistic of ISO service value. - Include business benefit delivery support, project selection, prioritization and service support, value for money audit tasks in the role of 'account management' - Include full lifetime costs and benefits in ISO project justifications - Incorporate contribution to business in job role description of individuals - Invest in researching of best practice - Present survey data mainly in summarized and graphical form - Promote ISO as an agency for acquiring technologies - Research environmental changes both in the immediate industry sector and other sectors - Review carefully both service project failures and success - Test the cost-effectiveness of ISO services against external benchmarks and organizations - Tie in of service measurements with SLAs - Track the incorporation of ISO service benefit in ongoing business operations. - Use mechanisms to feedback general support issues to ISO service developers
Consequences	*The intended or unintended outcome of implementing the action strategy:* - Ability to assess personal contribution to success [satisfaction] - Better chance of optimum future service design solution [credibility] - Better decision making for future projects [credibility] - Conflicting customer credibility statistics [credibility] - Damage to morale of ISO staff with regard to customers [commitment] - Failure of ISO staff to develop appropriate skills for future projects [credibility] - False impression of benefit provided by ISO service [satisfaction] - Higher/Weaker service quality perception [satisfaction] - Measurements misused to blame individuals [trustworthiness] - More positive image of ISO with customers [credibility] - Perceived Increased ability of ISO to compete against third parties [credibility] - Proven basis for project outcome [credibility] - Survey fatigue [satisfaction]

Category	Appendix E9 – (Focus)
Definition	A feeling of an individual that others share similar goals for a service.
Phenomenon Properties & Dimensions	- Duration Short--------------------Enduring - Frequency Occasional------------Often - Intensity Faint--------------------Strong
Causal Condition & Properties	*The events or factors that lead to the phenomenon:* *Change of roles for service development[assigning](frequency and extent)* - Changes to service goal order [prioritising] (frequency and responsiveness) *Changes to service needs [agreeing] (frequency and responsiveness)* *Decisions about the relative importance of service goals [prioritising] (clarity and effectiveness)*
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* *Experience of different ways of working arrangements [understanding-knowledge] (extent)* - Importance of the role played by ISO managers Business [understanding-political] (extent) *Knowledge of ISO position in the company [understanding-political] (extent)* - Political awareness within the ISO of project implications-[understanding-p] (clarity) - Specialised nature of the business needs [understanding-knowledge] (extent) *Translation of organizational goals into personal goals [understanding-knowledge] (extent)*
Action Strategies	*The goal related activities performed in response to existing conditions:* - Alignment of reporting structures for projects [assigning] - Meeting to set service goals [agreeing] - Shared Planning to counter possible uncertainties and hazards [agreeing]
Consequences	*The intended or unintended outcome of implementing the action strategy:* Visible translation of corporate objectives into IT service specific goals [dependence]

Category	Appendix E10 – (Participating)
Definition	The integration by an individual of the physical resources, knowledge and finance necessary to create or change the design of a service.
Phenomenon Properties & Dimensions	• Choice Optional-------Mandatory • Extent Limited--------Total • Frequency Seldom-------Often • Regularity Adhoc---------Structured • Timeliness Early-----------Late
Causal Condition & Properties	*The events or factors that lead to the phenomenon:* • A Decision made about the ISO service strategy • Completion of the prioritization of potential ISO service projects • Development of an ISO service project • Implementation of a solution to an operational service problem
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Balance of reliance of the parties(climate-design) • Communications between individuals (understanding-knowledge) • Communications between individuals (understanding-political) • Management systems for facilitating collaboration (climate-policy) • Proven capability of the other parties (climate-policy) • Resource costing structure (climate-policy)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Agree mode of working before commencement of IT service development • Amortize service development costs across customer boundaries • Appoint a Business champion to input to IS development and support processes & standards. • Arrange secondment and movement of staff between ISO and other units • Bring in service operations role in multi-skilled 'bid' teams • Develop ways and means to include third parties the process • Devise and implement stakeholder impact statements • Give relationship managers resource assignment powers • Implement matrix service development team structures • Include customer project manager role in multi-skilled IT project team • Include customers in solution resourcing decisions • Include the account management role in multi-skilled IT project team • Put in place formal procedures for the provision of customer resources • Use collaborative mode as the default way of working • Use JAD/RAD methods where appropriate but not always • Use scenario workshops to facilitate cooperative work
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Better integration of ISO service offerings [satisfaction] • Changed image of the parties [credibility] • Growth of "partnership" feeling between the parties [satisfaction] • Improved co-ordination of scarce business expertise and efforts [satisfaction] • Improved perception of cost effective ISO service development [credibility] • More chance of correct solution to the right problem [satisfaction] • More effective human resource deployment [satisfaction] • Removal and increased of role conflict and ambiguity [focus] Stronger lock in of IS initiatives with business operations [credibility] • Suspicion by the Business of some ISO activities [trustworthiness] • Visible contribution of ISO to non-IT matters [credibility]

Category	Appendix E11 - (Performing)
Definition	The use by an individual of physical resources, knowledge and financial resources to deliver the benefits of a service.
Phenomenon Properties & Dimensions	• Assurance Hesitant----------Confident • Courteousness Less--------------- More • Flexibility Less---------------More • Responsiveness Slow----------------Quick • Sympathy Limited----------Highly • Timeliness Slow--------------Prompt • Willingness Reluctant --------Eager
Causal Condition	*The events or factors that lead to the phenomenon:* • An incident or problem with an ISO service • Completion of a task modifying an ISO service • Implementation of a new or enhanced ISO service • Review of an existing ISO service • Satisfaction of an inquiry concerning the operation of an existing or potential ISO service • Supply of requested information • The solution of a ISO service problem
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Communications between individuals (understanding) • Emphasis on quality v cost v timeliness (climate-policy) • Management systems for deploying resources (climate-policy) • Uniformity of the internal technical environment (climate-policy)
Action Strategies	*The goal related activities performed in response to existing conditions* • Audit success and failure of the fulfillment • Co-locate account management functions with customers • Determine cost of requirement v cost of satisfaction of promise • Devise a programme to transfer third party knowledge to ISO staff • Devise ways of extracting penalties linking rewards to fulfillment by ISO • Direct efforts to explaining the need for standards and standardization of ISO services • Draw up an operational service impact statement to be signed of by all parties • Employ account management role to monitor the process of fulfillment • Encourage operational service personnel input in the early stages of a new service • Exploit electronic communication to raise responsiveness to customer inquiries/support tasks • Feedback service problems to ISO service developers • Implement problem escalation and customer complaint mechanisms • Keep paper work to a minimum for minor service fixes and changes • Package ISO services for delivery in a manner to commercial products from third parties • Plan the ISO service provision on a 24/7/365 basis • Set aside ISO service development resources to cover early period of new service operation • Supply training and customer documentation as part of the core element of any ISO service • Test fulfillment against agreed objectives • Test fully the depth of knowledge of potential third party resources • Train all ISO staff in direct contact with customer in appropriate interpersonal skills • Train ISO operational staff in project management skills • Train staff to properly use operational services
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Communication channels for progression of service tasks bypassed [credibility] • Customer perception of ISO being helpful [satisfaction] • Customers feel frustrated with perceived lack of responsiveness of the ISO [satisfaction] • Focus on high customer priority service issues [satisfaction] • Image of the ISO improved/tarnished [credibility] • Impression of reduction of personal contact of ISO and customers [satisfaction] • ISO service staff thought to be courteous, friendly and caring of customer needs [satisfaction] • Lack of interest of customers in ISO service staff as individuals [credibility] • Proactive rather than reactive image of ISO with customers [credibility] • Reduced overall cost of ownership of I.T. [satisfaction] • Training of customers thought to be well managed [satisfaction]

Category	Appendix E12 - (Prioritizing)
Definition	The identification by an individual of the relative importance of a service.
Phenomenon Properties & Dimensions	- Flexibility Low----------------High - Frequency Seldom-----------Often - Optionality Discretionary----Obligatory - Regularity Adhoc-------------Planned - Transparency Opaque-----------Clear
Causal Condition & Properties	*The events or factors that lead to the phenomenon:* - The identification of a need for a new ISO service or modification to an existing service -Importance to the Business in general -Importance to the Sponsor -Importance to the ISO - The approval of a request to ISO to resolve a service problem or issue or possible change -Criticality for the Business -Period of time request remained not actioned -Constraints imposed by of an existing SLA
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* - Communications between individuals (understanding) - Pervasiveness of the rationalist view of management (climate-culture) - The degree of role-power balance between the parties (climate-design) - The existence of systems for managing strategic direction (climate-policy)
Action Strategies	*The goal related activities performed in response to existing conditions:* - Use a customer (demand) rather than resource (supply) model to for resources requests - Assign IS budgetary responsibility to customers - Budget costs of ISO services across the predicted lifetime of the service - Conduct a review the functions actually used by customers operationally - Cost the processes used within the ISO as well as the deliverables - Create a mechanism so that ISO bids for work v external providers - Draw up CBA for all but trivial ISO work commitments - Ensure that all ISO services are charged for at the point of consumption - Establish service value metrics - Identify for customers the key influences on ISO service development and operational costs - Implement task ranking based upon a financial contribution basis - Include general levels of required service quality in ISO mission statement - Incorporate 'political' tasks into the ISO work prioritisation mechanism - Incorporate external mandatory developments, (e.g. legislative changes into prioritisation) - Look to spread development costs across customers - Provide processes for comparing ISO price v external provider - Rate customer needs linked to RAD methods for service definition and development - Segment ISO customers on a service value basis - Standardize of IT infrastructures for customers - Use account managers to inform the prioritisation process
Consequences	*The intended or unintended outcome of implementing the action strategy:* - Allocation of ISO resources less dependent upon personal influence [focus] - Common view of relative value of an ISO service [focus] - Diversion of ISO resources from service delivery [focus] - Lower level of contention between customers concerning importance of goals [focus] - More visible expected contribution of the value of ISO services to the business [focus] - Perceived fairness of future resource allocation to customers [focus] - Perception of inadequate customer influence over ISO costs [focus] - Price signals for ISO services clearer [satisfaction] - Reduced chance that services are over specified [focus] - Stronger belief that ISO is being responsive to customers [satisfaction]

Category	Appendix E13 - (Promising)
Definition	The provision by an individual of assurances about the performance of a service.
Phenomenon Properties & Dimensions	• Choice Optional------Obligatory • Formality Verbal---------Written • Regularity Less----------More • Timeliness Early---------Late
Causal Condition	*The events or factors that lead to the phenomenon:* • The identification of a problem with an ISO service • The identification of change to an ISO service • The identification of new ISO service • The review of an operational ISO service
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Communications between individuals (Understanding) • Constraints imposed by resource allocation (climate-design) • Principles and rules for internal service contracts (climate-policy) • The importance of honesty and openness as values (climate-culture)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Clarify expectations up front as part of service requirements definition • Ensure outcomes of communications with third parties are passed on to internal customers • Ensure third parties in the value adding chain have proven track record acceptable to both the ISO and customers • Ensure where all specify duties and penalties are bilateral • Publish service promises widely • Put in place strategies to counter false expectation of ISO generated by third parties • Set realistic service levels that ISO can achieve not what customers want • Tie ISO service levels to cost base • Treat all 'users' as true 'customers' of the ISO • Use SLAs proactively as working documents to manage services
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Basis established for ISO or customer reward/blame [commitment] • Failure to correct plans because of change circumstances [commitment] • Improved balance of the service efficiency v effectiveness plans [commitment] • SLAs are thought of as realistic/unrealistic [commitment] • SLAs interpreted by customers as an ISO protection mechanism [trustworthiness] • The role played in the service activity is known by all [commitment] • Third party promises distort what ISO promises [trustworthiness] • Unrealistic estimating by ISO of time-scales and costs [commitment]

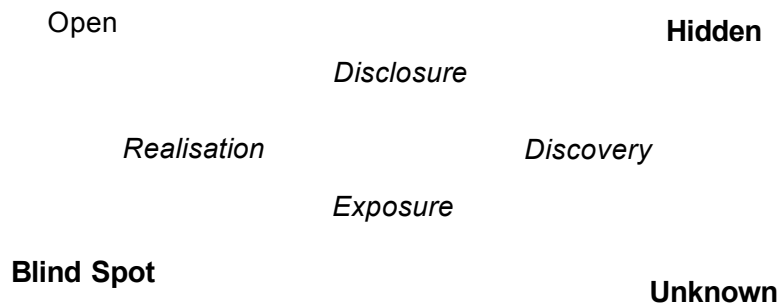| Category	Appendix E14 – (Satisfaction).
Definition	A feeling of an individual that others have fulfilled the goals of a service.
Phenomenon Properties & Dimensions	• Extent None-------------Complete
Causal Condition & Properties	*The events or factors that lead to the phenomenon:* • De-scope of service close to delivery date [performance] (frequency) (coverage), (standardization), (equity), (frequency), (clarity) (effectiveness) • Delivery of new technologies [performance] (frequency) • Implement remedial & problem solving mechanisms [performing] • Provision of small scale changes [performance][frequency] • Specification of business needs [performing](accuracy)(completeness) • Translation of business needs into service design [performing] (accuracy)(completeness)
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Appreciation of technical constraints on performance [understanding-knowledge] (depth) • Balance struck between quality and value for service[credibility](extent) • Chain of command for registering problems or lack of success [climate-design](clarity) • Prior experience of the evaluator of poor ISO service[credibility](extent) • Reputation of ISO for benefits realization [credibility](extent) • User awareness of other IT providers [credibility](extent)
Action Strategies	*The goal related activities performed in response to existing conditions:* • Adhere to spirit of a service agreements[evaluating] • Feedback to individuals of the standard of their work [evaluating] • Implement outcome assessment [evaluating] • Incorporation of service into business operations[evaluating]
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Improved/damaged image of ISO as value to business [credibility]

Category	Appendix E15 – (Trustworthiness)
Definition	The conviction of a party that they can be vulnerable to the behaviours of the other party to the relationship
Phenomenon Properties & Dimensions	• Extent Specific----------------General • Intensity Low-----------------High
Causal Condition and Properties	*The events or factors that lead to the phenomenon:* • Absence of formal agreements between ISO and the business [commitment] (frequency) • Business changing plans without consultation with ISO [commitment] (frequency) • ISO directed toward regular contact with business [commitment] (frequency) • ISO evidencing self sacrifice [commitment] (frequency) • ISO expressions of need to right acknowledged mistakes [commitment] (intensity)(frequency) • ISO seen or feels to be more loyal to profession than the business [commitment] (intensity) • ISO taking a calculated risk to help the business customer [commitment] (frequency)
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Honesty and openness in dealings with internal & external customers [climate-values) (extent) • Parts of the business recognizing the value of each other [climate-values] (extent) • Parts of the business seem to have different motivations [climate-values] (extent) • Processes and procedure open to inspection by others [understanding-knowledge] (clarity) • Publication of corporate standards and principles [understanding-knowledge] (clarity) • Rewards/ sanctions applied to performance success/failure [climate-policy] (extent)
Action Strategies	*The goal related activities performed in response to existing conditions:* Business giving time to IS projects [participating] • ISO and business sharing problems [participating]
Consequences	*The intended or unintended outcome of implementing the action strategy:* • ISO acting on behalf of the business and vice versa [commitment] • ISO and business positions seen to be flexible to the other party[commitment] • ISO and the business defensive about each other [commitment]

Category	Appendix E16 (a) – Understanding (Knowledge-Based)
Definition	The cognitive basis for the pattern of behaviour in a service role.
Phenomenon Properties & Dimensions	Clarity Vague------------------Defined Explicitness Hidden---------------- Overt Longevity Recent------------------Long Standing Truthfulness None------------------Total
Causal Condition	*The events or factors that lead to the phenomenon:* See processes.
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Appreciation of personal sacrifice [commitment] (extent) • Dissemination of SLA and service monitoring information [satisfaction] • Explanation to customers of the constraints upon the service [satisfaction] • Face to face contact of customers and vice versa in a service operation [satisfaction] • Implementation of business education for ISO staff [satisfaction] • Importance placed upon expectation setting [satisfaction] • Individual's prior experience of success and failures [satisfaction] • Influence of external marketing on individuals [satisfaction] • Personal understanding of the people dimension to service by ISO [satisfaction] • Ratchet effect of improving service [satisfaction] • The publication of service project successes jointly by ISO and customers [satisfaction] • Training in service operations [satisfaction] • Adherence to budget as an imperative [climate – policy] • Co-locality of ISO and business functions [climate-design] • Distribution of customer knowledge across all units of ISO [climate –policy] • Distribution of the results of IT research to the Business [climate –policy] • ISO viewed as separate/elitist/different personality types [climate-Policy] • Regular survey of opinion concerning ISO attitudes and behaviours [climate-policy] • Transfers and visits between ISO and customer areas [climate-policy] • Update of customers on changes to the ISO environment [climate-policy] • Use of benchmarking against external suppliers[climate-policy] • Value of service as important [climate – culture) • View of R & D or innovation as a worthwhile activity [climate-culture]
Action Strategies	*The goal related activities performed in response to existing conditions:* • Not applicable
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Not applicable

Category	Appendix E16(b) – Understanding (Emotion-Based)
Definition	The affective basis for the pattern of behaviour in a service role.
Phenomenon Properties & Dimensions	Clarity Vague--------------------Defined Explicitness Hidden------------------Overt Longevity Recent------------------Long Standing Truthfulness None--------------------Total
Causal Condition	*The events or factors that lead to the phenomenon:* See processes.
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Balance between loyalty to business v ISO loyalty to IT profession [commitment] • Buy-in to common ideal [commitment] • Comfort and stability of the organization [climate-culture] • Confidence in the future activities of ISO [commitment] • Degree of complexity of the organization [climate-design] • Emphasis on communication skills [climate-values] • Encouragement given to innovation and development [climate-culture] • Extent of 'them' and 'us' in discourse of ISO and business [commitment] • Extent of face to face contact possible [climate-design] • Fidelity and consistency [commitment] • Importance of motivational norms [climate-culture] • Joint making of risk assessments [commitment] • Motivations for success of individuals [commitment] • Permeation of customer-culture [climate-culture] • Prevailing ideals of openness and honesty [climate-culture] • Senior management awareness of future service possibilities [commitment]
Action Strategies	*The goal related activities performed in response to existing conditions:* • Not applicable
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Not applicable

Category	Appendix E16(c) – Understanding (Political-Based)
Definition	The political basis for the pattern of behaviour in a service role.
Phenomenon Properties & Dimensions	Clarity Vague------------------Defined Explicitness Hidden-----------------Overt Longevity Recent-----------------Long Standing Truthfulness None-------------------Total
Causal Condition	*The events or factors that lead to the phenomenon:* See processes
Intervening Conditions and Properties	*The events or factors that constrain or enable phenomenon taking place:* • Appreciation of service task dependencies and contingencies [focus] • Articulation of service needs [focus] • Costing of all work requested by business [focus] • Degree of complexity of the organization [climate-design] • Getting buy-in to the what is wanted [focus] • Identification of service process owners [focus] • Integration of strategic and operational goals [climate-design) • Jargon in written and verbal interactions [focus] • Joint making of risk assessments [focus] • Level of bureaucracy for service provision [climate-design] • Maturity and motivation of the individual [focus] • Pervasiveness of the team framework [climate-design] • Role Dependence on I.T. [climate – design] • Role specification – content and clarity [climate-design] • Use account management to gain knowledge of customers [climate-design] • Use of prioritization to support messages concerning ISO responsiveness [focus] • Use of account management role to protect image of the ISO [climate-design] • Use of customer driven agendas at meetings with ISO [focus]
Action Strategies	*The goal related activities performed in response to existing conditions:* • Not applicable
Consequences	*The intended or unintended outcome of implementing the action strategy:* • Not applicable

APPENDIX F -THE JOHARI WINDOW.

Open   **Hidden**

         Disclosure

    Realisation   *Discovery*

         Exposure

Blind Spot

            Unknown

1.   The Nature of the Window.

The model consists of four cells: with each cell, or pane, in the window encapsulating an individual's perception to his, or herself and their communication relationship with other people.

(A.)   Firstly, there is the 'open' area - the manifestation of conscious self. It is the researcher's base of experience, personal attitudes, behavior, and values, of which he or she is fully aware and which is overly made known to others. The larger this domain, the stronger is an individual's ability to recognise how the needs and character of others is reflected in the researcher's own behaviours. With regard to interpretative research in general and implementation of of grounded theory in particular; the relative size of this pane might be envisaged as an indicator of empathetic mode of understanding between the parties.

(B.)   The second domain of self-knowledge has been designated as the 'hidden area'. This is the part of self is not known to other people, (in this case the informants), unless of course, the researcher chooses to divulge it. In the context of this research, the relative size of this quadrant could be looked upon as indicative of the degree to which the author shared her opinions with the interviewees. The degree of exposure being an indicator of the ethical position taken by with regard to private information, which may have, for example been provided by third parties, such as other interviewees.

(C.)   The 'blind spot area' is part of the covert domain of the model and refers to behavior not known to self, but apparent to others. The creators of the model suggest that for many people this area is larger than they think and is most clear in situations where an individual's behavior is under scrutiny. Certainly, the magnitude of this domain must have some influence, (in an epistemological sense), of the quality of information gathered in direct interactions such as the interviews. Here, the author tried to be 'professional' and avoid showing boredom or impatience, when as happens with all types of direct data gathering, the interviewee discussed irrelevant matters.

Giving feedback to restore the interview to its proper course without damaging the relationship is a skill that the interpretive researcher may think they possess to reasonable degree but this is not always so. Accordingly, since an interview is always two-way interaction, it could be that some of the informants did not convey as much as they could have done, because, (unconsciously), the author inadvertently damaged communications of information helpful to the research.

(D.)   The fourth and final interpersonal communication perspective is refers to that part of their personality the researcher does not know about his or herself, (and the interviewee would certainly not know about), which could manifests itself as non-typical behaviour or suprising. Such behaviours can, on reflection, seem quite 'suprising.' An example, drawn from this research will illustrate this.

As mentioned, earlier one of the participants refused the request for the interview to be recorded. Judging from previous experience, the likely reaction (of the) author would be annoyance and uncertainty about how to respond to this type of setback. However, a newfound flexibility emerged and the interview was completed, by the taking of notes. In this instance the author found an unaccustomed capability, which added to her own skills as a researcher. In the context of field study type of research, this fourth domain of the model could be identified as the experiential quadrant – one of self- realisation and personal development as a researcher.

2. Using the Window.

- The route to openness and hence a better understanding of the phenomenon could proceed through two routes. Paths, indicated by the solid line, would be the subject of deliberate interventions. The second set, (broken line), tend to be outside the direct influence of the researcher but may happen due to circumstances or the actions of other parties to the research, (e.g. interviewees).

- Disclosure. This is an intervention, in that the researcher has deliberately enlarged the area that others have of the researcher's values, knowledge, intentions or a previously hidden position, or biases, leading to greater sensitivity to the area of study.

- Discovery. This is an unplanned or unpredicted opportunity for enlargement of self, consequent upon some activity within the research process. The researcher is made aware, by an event of some hidden talent, skill or perhaps even a less acceptable element to their personality/set of attitudes.

- Exposure. Is similar to discovery but the communication is to the others rather than the researcher who will probably remain unaware of the interaction. Again, this could have a positive or negative consequence for sensitivity level, which may be brought to the interpretive research process.

- Realisation. Is suggested as a term in a positive sense, when the circumstances of others are made clearer to the researcher. This will help data acquisition, because there should better interaction through reduction of suspicion, understanding of the people involved and organizational context for the research. An example of the Johari window, based upon the experience the author with this research study is shown overleaf.

Open Domain

Hidden Domain

*The researcher did make known to the interviewees that she had practical experience of Financial services including life assurance and general insurance.

*The researcher explained to the interviewees the nature of academic inquiry and why the author wanted to do the research and the advantages of Ph.D. for the author.

*The researcher was willing to exchange information about universities, locations etc. that were not directly connected with the inquiry.

*The researcher tried to be clear and open when not fully understanding the situation and tried to not to bluff her way through with knowledge she did not have.

*The researcher did not make known to the interviewees that she had practical experience of IS systems development and operations.

*The researcher presented a mask of studied neutrality so as not visibly to react to comments made by the interviewees that were 'political' and personal in nature about others in the organization.

*The researcher tried not to dominate the interviewees and let them (and thus the data) speak for themselves.

Blind Spot Domain

*The researcher could have unconsciously passed judgement on the organization and ISO from impressions gained from the earliest dealings with that organization.

*The researcher might have absorbed general prejudices, dislikes and biases from the overview of the domain and previous informants, which damaged the interpretation of what was being said by the interviewees.

*The researcher might have exhibited a higher quality of knowledge elicitation and elucidation skills than she knew.

*The researcher may have failed to maintain a reputation for reliability, flexibility and ethical behaviour in the course of research at a particular site.

*The researcher may have not presented an appropriately sympathetic understanding of the Interviewees.

*The researcher, from non-verbal clues, may have let slip, half-formed judgements and opinions to interviewees.

*The researcher may have shown less sympathy or interest in the concerns of the internal clients (users) than say the providers ISO.

Less

Researchers knowledge of others

More