University of St. Thomas, Minnesota
UST Research Online

Education Doctoral Dissertations in Leadership

School of Education

Spring 4-24-2015

Rise and Fall of an Information Technology Outsourcing Program: A Qualitative Analysis of a Troubled Corporate Initiative

David A. Johanek
University of St. Thomas, Minnesota, dajohanek@gmail.com

Follow this and additional works at: https://ir.stthomas.edu/caps_ed_lead_docdiss

Part of the Business Administration, Management, and Operations Commons, Business and Corporate Communications Commons, Digital Humanities Commons, Education Commons, Leadership Studies Commons, Organizational Behavior and Theory Commons, and the Work, Economy and Organizations Commons

Recommended Citation

Rise and fall of an information technology outsourcing program:

A qualitative analysis of a troubled corporate initiative

A DISSERTATION SUBMITTED TO THE FACULTY OF THE

SCHOOL OF EDUCATION OF THE UNIVERSITY OF ST. THOMAS

ST. PAUL, MN

By

David A. Johanek

IN PARTIAL FULFILLMENT OF THE REQUIREMENTS

FOR THE DEGREE OF

DOCTOR OF EDUCATION

2015
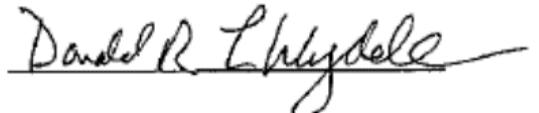
UNIVERSITY OF ST. THOMAS, MINNESOTA

Rise and fall of an information technology outsourcing program:
A qualitative analysis of a troubled corporate initiative

We certify that we have read this dissertation and approved it as adequate in scope
and quality. We have found that it is complete and satisfactory in all respects, and
that any and all revisions required by the final examining committee have been
made.

Dissertation Committee

Dr. Donald R. LaMagdeleine, Chair

Dr. David P. Rigoni, Member

Dr. Michael C. Porter, Member

February 23, 2015

Final Approval Date

Acknowledgements

A number of important individuals contributed to the inception, creation, and completion of this study. I wish to express my gratitude to my committee members Dr. David Rigoni and Dr. Michael Porter for their input and early encouragement to pursue this dissertation topic. I owe a deep and special thanks to my committee chair Dr. Don LaMagdeleine, whose guidance, patience, and insights buoyed my spirits and helped me get unstuck (often) throughout this work.

I would also like to thank the members of Cohort 23, many of whom endured drafts of some of my earliest, and least focused, musings that would later inform this study. Your early support and feedback helped me more than you can ever know.

Finally, this entire study would never have been possible without the tremendous support, patience, and sacrifice of my best friend and wife, Crystal. Throughout the course of this journey, we were also blessed with our children Ella and Zachary—I am forever indebted to each of you for the missed evenings and weekends when I was buried in a seemingly endless list of books and papers.

Dedication

This study is dedicated to the employees and executives at Icarus in appreciation for granting me the privilege of listening to, and being part of, their individual stories.
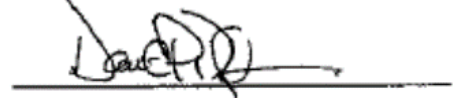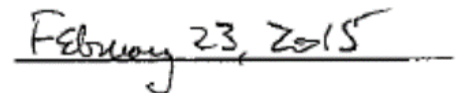
**Rise and fall of an information technology outsourcing program:
A qualitative analysis of a troubled corporate initiative**

TABLE OF CONTENTS

Rise and fall of an information technology outsourcing program:
A qualitative analysis of a troubled corporate initiative

TABLE OF FIGURES

Rise and fall of an information technology outsourcing program:
A qualitative analysis of a troubled corporate initiative

ABSTRACT

Information technology outsourcing (ITO) is a common business practice and a widely studied topic in academic literature. However, far less attention is paid to the implications and social dynamics of executives' pursuit of personal career achievement through the implementation of ITO programs. Focused mainly on gaining organizational power for career advancement and accomplishment, executives can create unintended consequences for their employees, their suppliers, their company, their shareholders, and their own careers.

This research focused on a large information technology outsourcing program from its inception to early implementation at a single Fortune 1000 firm. The time span covered was just over five years, which included the two years prior and more than three years of the initiative's lifespan. The data for this study included fifty-two interviews conducted with employees and executives over eighteen months as well as my personal observations and field notes. The uniqueness of this study compared to other published research stems from my dual role as both researcher and executive at the firm throughout this work.

The data informed a grounded theory of how and why the ITO initiative unfolded as it did, while giving equal voice to the employees and executives involved. The central theoretical premises of this analysis relied on Pierre Bourdieu's concepts of habitus, capital, and fields in conjunction with Bruce Lincoln's taxonomies and anomalies within social structures. The study's analysis was further informed by Brown and Duguid's infocentrism, Erving Goffman's dramaturgy, impression management, and moral career, along with Thomas Kuhn's paradigms within the structure of scientific revolutions, Jackall's bureaucratic ethic and Harvey's Abilene Paradox.

Analysis of the data identified the organization's habitus as a collection of visible and shadow social practices, mental models, and organizational rules for accumulating power. The habitus shaped employees' and executives' behaviors toward each other and toward their ITO provider. As this study ended, the ITO initiative was in its fourth year, significantly delayed, and its chances of success doubtful.

INTRODUCTION

This study represents a grounded theory case study of a large Information Technology Outsourcing (ITO) project. Part of its uniqueness stems from my role as an insider in the development and execution of the strategy within "Icarus," the pseudonym used throughout this study for the multinational retailer where my study occurred. The project, known internally as the Strategic Staffing Program (SSP), spanned three years from inception to early implementation. SSP's scope was the outsourcing all of Icarus's Supply Chain software development work to a single service provider, "ComTech" (pseudonym). The data collection for this research concluded during SSP's much-extended early implementation phase, with its success and long-term viability in serious question.

Retailing in the first decade of the twenty-first century experienced significant digital disruption. The increasingly frictionless ecosystem of high-speed Internet access, smart devices, information transparency, personalization, and flexible delivery options put more power in consumers' hands than ever before. Traditional brick-and-mortar firms, scrambling to differentiate themselves from the likes of Amazon, faced significant risks as a result. Most were fighting to catch up, stay current, or just remain relevant. The underlying question at the time was, "what does staying current or relevant look like?" I posit that nobody really knew. This in and of itself is not meant to be a critical judgment against executives at traditional retailers in the early twenty-first century. The critique is saved for how leaders at Icarus made decisions about what to do next, and how they responded to unintended consequences when those decisions turned out to be bad ones.

During this research, none of us really knew how to address the digital disruption facing Icarus. Generally speaking, IT leaders believed they needed to modernize their "legacy," largely

home-grown, twenty-first century systems to adapt them to the digital age. Executives braced for a digital tsunami of work that would require additional capital investments and IT workers. At the time, Icarus executives were not allowing the IT department to add employees. Therefore, executives viewed outsourcing as the answer that would provide the additional labor needed to build their next-generation IT systems.

The global economic instability of the years leading up to and during this study pressured firms to reduce operating expenses—including IT. However, rapid technological changes such as social media, mobile computing, and smart devices placed a competing demand on companies to hire and manage labor with increasingly diverse technology skills. The demand for outsourcing service providers to build deeper industry domain skills grew and changed the nature of ITO contracts. Forrester suggested the number of "time & material" or "staff augmentation" contracts for software development in the U.S. would decrease from 85% in 2010 to 58% by 2015 and be replaced with outcome-based, managed service agreements (McCarthy, Green, Matzke, & Lisserman, 2011). Unlike staff augmentation agreements that contract for specific skills to augment internal IT teams, managed service agreements can include outsourcing entire columns of the IT organization (such as distribution, marketing, or human resources), providing end-to-end software development services as well as specialized services such as labs for mobility technology innovations (McCarthy et al., 2011).

The past twenty years of ITO research highlighted economic and strategic motivations for outsourcing (i.e. *what* and *why* organizations outsource). Today, technology and market uncertainty are driving corporations to innovate their ITO practices, particularly in software development, i.e. engineering and computer programming functions (McCarthy et. al., 2011). Therefore, there is now a need to recognize the political and sociological factors at play within

organizations and their influence on *how* organizations diffuse or execute outsourcing strategies (Blaskovich & Mintchik, 2011). Additionally, Gonzalez, Gasco, and Llopis (2005) highlighted the growing importance of qualitative methods in ITO studies. The scarcity of grounded theory case studies similar to Beverakis, Dick, and Kecmanovic (2009) suggests that opportunities exist to both address this gap in the ITO literature and take up challenges such as those raised by Tatnall and Gilding (1999), McMaster (2001), Lunblad, (2003), and McMaster and Wastell (2005) to the predominant quantitative-based ITO diffusion studies.

I began my IT career nearly twenty years ago as a computer programmer and later held roles as a business analyst, project manager, and first-line manager in a number of IT functions. My current role as an IT executive responsible for overseeing vendor negotiations and governance provided a unique vantage point for this research. My insider status as an executive directly involved in the ITO project studied, combined with my cumulative career experiences, provided a rich and rare context for conducting this research.

In addition to gathering substantial interview data for eighteen months, I observed—and was part of—several organizational dynamics that unfolded during this research. These corporate undercurrents included Icarus's culture, power structure, and changes in the broader macro-economic environment that affected the outsourcing program. Throughout the study I followed executives who wrestled with each other for control of SSP, employees who struggled to adapt to the new and changing realities of IT work, and vendors who grappled with Icarus's culture and the general impression that within it their own employees were considered little more than faceless cogs in a giant software factory. Given my role as a vendor management executive at Icarus, it should be noted that I did not directly interview any employees from ComTech or other vendors for this study in order to avoid any conflicts of interest. However, their voices and

experiences are partially represented and shared via Icarus employees interviewed in this research.

The significance of this research is threefold. First, my career arc from engineer to executive provides a broad and reflective perspective to relate to the diverse cast of actors included in the study. This research does not side with or advocate for executives' interests versus employees'. Rather, my aim has been to give voice to all stakeholders in a cohesive narrative. Secondly, this study departs from the broader, deterministic approaches of ITO research in favor of responding to the call for case studies exploring the specific ways in which outsourcing strategies unfold. Finally, my status as both researcher and executive-insider is singular in Information Technology Outsourcing literature.

My professional career started with an engineering internship and a stack of self-study computer programming manuals. Today my team impacts nearly one billion dollars of annual spending with vendors. In some ways, my experiences as a doctoral student have taken me full circle to where I started my career—alone at my desk with a stack of books trying to solve a new puzzle. Instead of trying to solve a programming problem, the focus of this research is unraveling a social puzzle.

My resolve at the start of this work was to acknowledge and honor all perspectives while representing events that unfolded accurately and respectfully. This commitment did make me feel like a double agent at times during the research. I was trying to support the SSP initiative's success during my day job while simultaneously immersed in research critiquing executives' behaviors, their self-representation, and the IT department's culture. The most difficult part was learning to observe, reflect, and discern what was happening within Icarus with the critical eye of an outsider. This was difficult on more days than it was not. My insider status provided

wonderful access to rich data. My closeness to the work also made it difficult to detach myself from the Icarus habitus. I had to make a conscious and deliberate effort to think and write independently, unfettered by Icarus's cultural symbols, mental models, and discourse. Now after over two years of work, I have come to view the research process and this manuscript not as the work of a double agent, but as an intense exercise in reflective leadership.

CHAPTER ONE

A BRIEF HISTORY OF INFORMATION TECHNOLOGY OUTSOURCING

Information Technology Outsourcing (ITO) has been common practice among large U.S. corporations for decades. The practice began in the 1960s and gained popularity in the 1980s as companies outsourced their data center and facilities management to firms such as IBM and EDS (Dibbern, Goles, Hirschheim, & Jayatilaka, 2004). The dot-com bubble and year-2000 (Y2K) readiness from the mid–1990s and early 2000s shifted outsourcing practices to hiring temporary Indian technology workers under H1-B visas (Watts, 2001) and offshoring (*Economist* special report, 2013). Over the last decade, the practice of augmenting internal IT staff with third-party contractors and increased offshoring has grown ITO into a nearly $50 billion practice in the U.S. and over $115 billion globally (Tapper, 2011).

ITO is defined as contractual agreements in which service providers assume responsibility for IT department functions. These functions can include developing new applications, maintaining clients' information systems, computer networks, data centers, or devices such as phones, laptops, and tablet computers (Tapper, 2011). The practice has received significant scholarly attention over the previous two decades. In this section, I provide a historical review of ITO paradigms in the U.S. beginning with a) the origins and early evolution of the practice (Dibbern et al., 2004), b) the emergence of staff augmentation and foreign technology workers and the growth of H1B visas (Watts, 2001), and c) the present drift from staff augmentation toward managed-services agreements (McCarthy et al., 2011; Tapper, 2011). I conclude this section by reviewing the normative ITO research and theory as well as tensions and gaps in the literature.

Early Information Technology Outsourcing

Information technology outsourcing in the United States began in the early 1960s when Blue Cross of Pennsylvania entered into an agreement with Electronic Data Systems (EDS) to manage its data processing services. This was the first case of a large corporation turning over its entire IT department, including employees, to a third party. During the 1970s, EDS added General Motors and Frito-Lay as outsourcing clients. The business practice gained popularity in the 1980s as EDS added First City Bank, Continental Airlines, and Enron as clients (Dibbern et al., 2004).

Two factors contributed to the emergence of information technology outsourcing—first, the unclear value delivered by IT departments, and second, corporations' focusing resources on core competencies. Unless a firm is in the actual business of creating and selling hardware, software, or IT services, executives often view IT departments as overhead cost. Therefore, IT departments can represent an essential, but non-core, expense. Executives also believe focusing their organizations' resources on what they do better than others, while outsourcing non-core functions, is a recipe for sustainable competitive advantage. From these perspectives, it is a logical argument to believe that because IT vendors provide expertise at economies of scale, they can deliver non-core IT functions or capabilities more efficiently than internal IT departments (Dibbern et al., 2004).

Several researchers (e.g., Loh & Venkatraman, 1992; Dibbern et al., 2004; Gonzalas et al., 2005; Blaskovich & Mintchik, 2011) consider Kodak's 1989 agreement with IBM to outsource the management of its data center facilities as the watershed moment for information technology outsourcing. The subsequent rise of ITO by firms including Delta Airlines, Xerox, McDonnell Douglas, Chevron, Dupont, JP Morgan, and Bell South marked the legitimization of

ITO as a widely accepted business practice. Today, this sudden growth in ITO is widely referred to as the "Kodak Effect."

Staff Augmentation and H1-B Visas

Within the last two decades, the United States became the primary destination country for Indian immigrants, specifically for those in the high-skilled labor market. Today, one out of four Information Technology (IT) workers in the United States is foreign born, and from 1990 to 2000, one-third of all immigrants to the U.S. were IT workers, scientists, or engineers (Batalova & Lowell, 2007). While these workers provide U.S. businesses a flexible, although not necessarily less expensive, source of skilled IT talent (Luthra, 2009), labor groups often oppose their usage, which they argue has a negative effect on employee wages (Zavodny, 2003).

H1-B visas reached the cap of 65,000 for the first time in 1997 and again 1998. In response to corporate lobbying, Congress passed the American Competitiveness Workforce Improvement Act (ACWIA) in 1998, which raised H1-B levels to 115,000 for both 1999 and 2000, and set the limit at 107,500 beginning in 2001 (Watts, 2001). The American Competitiveness in the 21st Century Act of 2000 again raised the annual cap to 195,000 for 2000 through 2003 (Banerjee, 2006). However, by 2004 Congress returned the H1-B visa levels to the original limit of 65,000 where the cap remains today (Batalova & Lowell, 2007).

Many firms reserve their most strategic or "core" engineering and application development functions for internal staff while augmenting their IT labor force with contractors for work defined as low-complexity and low-value. This "staff augmentation" approach has remained the predominant ITO paradigm for application development since the practice began. Service providers who offered the lowest-cost labor and were efficient at scaling staffing levels up or down to meet their clients' variable demand became market leaders. In return, client firms

frequently emphasized resource and cost management versus managing contract outcomes. Immature IT governance practices combined with lowest-rates-wins sourcing strategies reinforced the staff augmentation paradigm. In response, service providers focused on keeping costs low and developed deeper resource benches of lower-tier laborers. As firms began to demand more strategic capabilities from ITO vendors, some struggled to adapt (McCarthy et al., 2011).

Offshoring and Re-shoring

Although this research is not specifically concerned with offshoring, that practice has been and continues to be a central topic to the overall practice of information technology outsourcing. The emergence of offshoring of IT services in the late 1990s followed the general trend of manufacturing offshoring in the 1970s and 1980s. The initial reason for IT services offshoring at most companies was cost arbitrage, particularly in India, where wages had been up to eighty percent less than domestic IT workers earned. Continued demand has driven up labor costs, which are now only thirty to forty percent favorable to domestic wages (*Economist* special report, 2013).

Firms often viewed the Indian companies as "body shops" who initially performed back-office IT tasks at low costs. Whether domestic firms believed Indian firms could produce higher-quality results was less important than the significant cost arbitrage achieved under this "your mess for less" offshoring model. Many firms, General Electric being among the first, established their own Indian subsidiaries during the 1990s and early 2000s, known as "captive centers." These dedicated resource teams performed work exclusively for the owning company. This trend has declined and reversed in recent years as many multinationals have divested their captive centers. Increasing wage parity with the U.S. and high turnover, which can range from ten to

over twenty percent annually for the Indian IT labor market, is also impacting the broader

offshoring model:

> As in manufacturing, the labour-cost arbitrage in services is rapidly eroding, leaving
>
> firms with all the drawbacks of distance and ever fewer cost savings to make up for them.
>
> There has been widespread disappointment with outsourcing information technology and
>
> the routine back-office tasks that used to be done in-house. Some activities that used to be
>
> considered peripheral to a company's profits, such as data management, are now seen as
>
> essential, so they are less likely to be entrusted to a third-party supplier thousands of
>
> miles away. (*Economist* special report, 2013, p. 5)

Some analysts believe banks and financial services firms have offshored nearly eighty percent of

the work that could realistically be performed in India and other locations. Domestic attitudes are

also changing toward offshoring. Companies fear losing legacy technical expertise as capabilities

once performed in-house are offshored, and they risk falling behind in areas of new technologies.

Perceptions that vendors, more concerned with their own profits, erode the value that existed

during the initial years of offshoring contracts add to speculation of a tapering or decrease in IT

offshoring (*Economist* special report, 2013).

Current State of Information Technology Outsourcing

Worldwide, corporations spent $117.7 billion on ITO in 2011. U.S. firms alone spent

$47.7 billion on ITO during 2011, and between 2005 and 2008 the U.S. ITO market grew

between 3% and 4% annually. During the 2009 recession, the ITO market declined by over 4%

but rebounded to pre-recession growth levels in 2010 and 2011. Despite recent growth, industry

research firm IDC forecasts an ITO market slowdown over the next several years to near zero

growth by 2015 as a result of continued pressures for firms to reduce IT operating expenses

(Tapper, 2011).

Companies strive to reach customers wherever they are. In today's mobile technology driven market, existing and potential customers are everywhere. There are over "800 million smartphones, 1.5 billion PCs, 3.5 billion mobile phones, and 5 billion Internet-connected devices" (Karamouzis, 2012, p. 3) in the word today. The rapid convergence of social media, mobile computing, smart devices, cloud-based services, and predictive analytics is creating an ITO paradigm shift within many firms. The IT function of software development, in particular, is one where outsourcing innovations are occurring (McCarthy et al., 2011).

Within the staff augmentation paradigm, imitation seems to have influenced ITO clients' and vendors' sourcing approaches. Today, the shorter product lifecycles driven by rapid technology changes are challenging this approach. Market changes are creating client demand for outsourcing firms to invest in building deeper industry domain skills (i.e. focused on an entire business/IT vertical capability such as distribution, marketing, or human resources). Furthermore, firms are seeking providers who can deliver end-to-end software development services and offer capabilities to accelerate their time to market such as specialized labs for mobility technology innovations (McCarthy et al., 2011).

There is a key difference between the early outsourcing deals on the scale of the EDS-Blue Cross and Kodak-IBM agreements and the more recent phenomenon of managed services. The EDS-Blue Cross and Kodak-IBM agreements are examples in which firms turned over the operations of entire IT departments or data centers to third parties. Also, the classic outsourcing examples treated the outsourced work as a separate organization. Managed services agreements, on the other hand, involve the outsourcing of large, but self-contained, functions of the IT organization (Dibbern et al., 2004).

The outsourced functions under a managed services contract remain part of the client's day-to-day operations, but are staffed predominantly with vendor personnel. The value for clients from these arrangements goes beyond the cost savings and flexibility of staff augmentation. Contract provisions such as exclusivity, revenue sharing, and revenue reinvestment are potential areas of additional value for clients. From the service providers' perspective, they benefit from an annuity relationship with clients versus variable revenue streams under staff augmentation models (Dibbern et al., 2004).

Perhaps the most recent trend in managed services contracts is the work of Vitasek, Ledyard, and Manrodt's *Vested Outsourcing* (2013). Their work attempts to shift outsourcing clients and suppliers away from the historical, transaction-volume fee-based approach (such as cost per minute to answer call-center phones, cost per mile to ship a product, or cost per server managed). Rather, the authors' "vested" approach is based upon game theory and behavioral economics. Ideally, contracts are structured to pay providers for achieving measurable business results (such as call center customer satisfaction, product delivery-date accuracy, or amount of server availability), not just for performing tasks or activities. The approach focuses more on performance incentives for the supplier than cost and service-level tradeoffs for the buyer. The "vested" model has gained in popularity and recognition over the last few years in a variety of industries. However, it has had relatively little implementation in IT services or application development where gaining alignment on defined, measureable outcomes remains a challenge with internal stakeholders, let alone between contracting firms and suppliers desiring to implement this model in a commercial relationship.

Normative Research and Theory

Because this research seeks to develop a grounded theory of how and why a major

outsourcing project unfolded as it did within one corporation, it falls within a branch of outsourcing studies concerned with "diffusion" models. These models consider how new ideas or innovations spread through a given organization or field. Originally published in 1962, the central work on diffusion theory—now in its fifth edition—is Everett Rogers's *The Diffusion of Innovations* (2003). Rogers defines an innovation as "an idea, practice, or object that is perceived as new by an individual or another unit of adoption" (p. xxi). Diffusion of innovations, then, is the "process in which an innovation is communicated through certain channels over time and the members of a social system" (p. 5). The diffusion literature spans several domains, including marketing consumer products (Peres, Muller, & Mahajan, 2010), business process adoption (Ehigie & McAndrew, 2005), and the spread of technology (Diamond, 1996).

The intersection of innovation-diffusion research and outsourcing first occurred with the Loh and Venkatraman (1992) study of the 1987 Kodak-IBM outsourcing agreement. It depicted this "Kodak effect" as the pivotal event accelerating the diffusion of outsourcing as a legitimate business strategy. The researchers were also the first to consider ITO as an administrative "innovation" due to the significant changes ITO introduces to organizations' relationships with external firms and internal processes. The key research issue Loh and Venkatraman (1992) sought to examine concerned the sources of influence for firms to adopt large outsourcing initiatives. The researchers performed a review of major newspapers between 1988 and 1990 to identify 60 outsourcing decisions by public and private U.S. institutions.

Focusing primarily on the communication channel aspect of Rogers's (2003) diffusion framework (i.e., innovations, communication channels, time, and social systems) Loh and Venkatraman (1992) sought to determine the influence of internal, external, and mixed communication channels on these outsourcing decisions. Their findings suggest that internal

factors influence outsourcing significantly more than external factors. Additionally, they indicated that internal influences became stronger over time following Kodak's successful strategy.

The significance of the Loh and Venkatraman's (1992) study is the implication that outsourcing decisions made by competitor or peer firms are a stronger influence on potential adopters than mass media messages or vendor persuasion. Specifically, they suggest ITO adopter behavior represents what DiMaggio and Powell (1983) term "institutional isomorphism" in the ITO supply and demand market. Thus, firms employ ITO strategies because other firms do and attempt to mimic those companies perceived as most successful. Strategy imitation can be a stronger influence on adopter behavior than alternative points of view.

Most of the dominant ITO literature reviews (Dibbern et al., 2004; Gonzalas et al., 2005; Blaskovich & Mintchik, 2011) support Loh and Venkatraman's (1992) conclusion that the Kodak and IBM agreement served as a legitimizing and isomorphic event (i.e., the Kodak effect) on the acceptability of large outsourcing partnerships. However, Hu, Saunders, and Gebelt (1997) dispute Loh and Venkatraman's (1992) conclusions regarding the influence of peer firms over the influence of vendors and the media. They also note Loh and Venkatraman (1992) actually used external media sources to gather their data rather than potential outsourcing adopters. According to Hu et al. (1997), all ITO communication channels combined (i.e., peers, vendors, and media) represent a stronger influence on ITO decisions than just the decisions of other firms.

Tensions and gaps in outsourcing diffusion literature. Rogers's (2003) criticisms of innovation-diffusion research included pro-innovation bias, individual-blame bias, and recall problems. Innovation-diffusion research often suggests a pro-innovation bias that all members

of a particular group should rapidly adopt the innovation. The individual-blame bias is a tendency to emphasize individual responsibilities and factors versus systemic causes for failures or successes. Recall problems can occur during data gathering as researchers ask individuals to remember when they first encountered, adopted, or rejected an innovation. Alternatives to avoid this problem include surveying or interviewing potential adopters at multiple phases throughout the process, or even right at the point of adoption if possible (Rogers, 2003).

While Rogers (2003) considers different biases in diffusion studies, Lunblad (2003) suggests the theory focuses primarily on diffusion and adoption by individuals rather than organizations, and therefore does not go far enough to address "whether and how the characteristics of an innovation interact to affect its adoption within organizations, or whether organizational type, size, or industry affect adoption" (p. 57). The dominance of "why" and "what" outsourcing-diffusion studies discovered in this literature review (i.e., Loh & Venkatraman, 1992; Hu et al., 1997) versus studies considering the impacts of "how" outsourcing strategies diffuse in organizations (i.e., Beverakis et al., 2009) would seem to support this criticism. If so, it suggests there is a research opportunity to extend Rogers's work deeper into organizational studies by describing "the interaction between the innovation, the adopter, the social system, and the other influencers of adoption" (Lunblad, 2003, p. 59).

McMaster and Wastell (2005) provide some of the sharpest criticism of Rogers's innovation-diffusion framework by suggesting it is a modernistic grand narrative used for "explaining and making sense of the world, and hence legitimating the existing order" (p. 388) and a collection of pseudo-scientific claims grounded in worldviews justifying colonial exploitations (McMaster 2001). In the latter claim, McMaster (2001) suggested that characteristic colonialist behaviors, such as conquering, settling, and exploiting, parallel

"diffusionism" in practice.

Rogers (2003) classified adopters into a normally-distributed bell curve of five categories: innovators, early adopters, early majority, late majority, and laggards. Where Rogers suggested these categories represented individuals' rate of adopting new innovations, McMaster (2001) posited it as more accurate to flatten these groups into a binary pair of innovators and recipients. In the realm of this research, McMaster's criticism suggests that the diffusion-theory (and isomorphism) approach is a type of "digital-age colonialism." Thus, relying on a diffusion-theory approach to change or innovation adoption downplays the impact of human foibles and costs common within the corporate domain.

Beverakis et al. (2009) conducted a case study of one large multinational firm's (ComputerInc) decision to enter into a large ITO agreement. While it did not directly reference Rogers's (2003) innovation-diffusion framework, the authors did investigate the drivers behind the strategy and explored its unintended consequences. The strongest drivers for ComputerInc's strategy were increasing competitiveness and reducing costs. The notable consequences caused by *how* ComputerInc executed its strategy included: survivor's guilt among employees who did not lose their jobs, low employee morale, and communication problems. The authors suggested the consequences of ComputerInc's outsourcing strategy impeded its ability to improve its competitive position and operations efficiency.

Additional studies related to this dissertation include Hong and O's (2009) case study of one Chinese firm's failed attempt to outsource a portion of its IT department. The authors concluded that power inequalities and identity gaps between in-house and outsourcing staff created significant tensions between the two firms, which lead the cancellation of the entire outsourcing initiative. Clott (2007) focused on the experiences of mid-level project managers

tasked by senior management to implement offshore outsourcing arrangements. The project managers (each working at a different U.S. firm) suggested that their senior executives focused on achieving employee reductions but provided little communication or direction of the overall strategy. While these project managers did have some access to senior executives to report their progress, they frequently needed to "operate in an uncertain environment that requires them to process information which is complicated, novel, ambiguous or dynamic" (p. 491). Lacity and Rottman (2009) conducted a similar, albeit more comprehensive, study focused on project managers responsible for implementing outsourcing strategies. Their research concluded that the largest cause of outsourcing failure was firms understaffing the internal teams who were expected to implement the outsourcing strategies.

CHAPTER TWO

THE SOCIAL THEORY OF INFORMATION TECHNOLOGY OUTSOURCING

This chapter provides a review of the relevant analytic theory and how it is employed in this research. The discussion begins with organizational culture and power. Concepts in this section include Bourdieu's habitus, capital, and fields (1972/1977, 1979/1984, 1983/1986, 1993), Lincoln's taxonomies and anomalies within social structures (1989), Jackall's (2010) bureaucratic ethic of corporate managers, and Harvey's (1988) "Abilene Paradox." In the next section, I discuss moral careers in information technology. Concepts in this segment include Goffman's dramaturgy and impression management (1959) and moral career (1961), technical labor commodification and deskilling (Braverman, 1998), and infocentrism and information technology outsourcing (Brown & Duguid, 2000). I close the analytic theory discussion with a review of Kuhn's (2012) structure of scientific revolutions. I give significant attention to the paradigm, puzzle solving, normal science, and anomalous elements of scientific revolutions.

Organizational Culture and Power

Habitus. According to Bourdieu (1972/1977), *habitus* is the collection of learned social practices and ways of thinking that guide our present behavior and condition our future actions. Habitus creates and transmits power between actors within a structure. It is shaped over time by the interactions between one's free will and the social environments we live in to create:

> a system of lasting, transposable dispositions which, integrating past experiences, functions at every moment as a *matrix of perceptions, appreciations, and actions* and makes possible the achievement of infinitely diversified tasks, thanks to analogical transfers of schemes permitting the solution of similarly shaped problems. (pp. 82-83)

Habitus represents a dialectical relationship between the individual and social spheres. It is "the way society becomes deposited in persons in the form of lasting dispositions, or trained capacities and structured propensities to think, feel, and act in determinate ways, which then guide them in their creative responses" (Waquant, 2005, pp. 317-318).

Habitus is a social creation and can vary across time, place, and distributions of power or social class. As an example, members of the same social class or relative lifestyle may have similar dispositions toward, or a class habitus of, their food, political, and music preferences. Habitus is durable but not permanent. It does possess a type of recursive inertia, entrenching it within the social practices that created and reinforce it. Yet it can be disrupted or altered by external forces (Bourdieu, 1979/1984). This research considers the corporate habitus exhibited by the executives as they made decisions about the outsourcing strategy and its implementation.

Capital. Bourdieu argued that the social world is accumulated history affected through the use of capital, or accumulated labor, which shapes and reproduces the power structures in a social group or broader field. Unlike theories suggesting equal opportunity or perfect and rational competition within social structures, Bourdieu's suggests that capital, manifested and distributed through its different forms, represents the inherent structure of the social world as we experience it. One's chance of success in any social practice is dependent upon one's access to and deployment of capital (1983/1986).

Capital's forms include economic, social, and cultural capital. Economic capital is the most readily converted into money or established in the form of property rights. Social capital represents one's "connections," or the groups and individuals one has access to. Social capital can be converted into economic capital, and may be institutionalized though a family name, title

of nobility, or affiliation with a tribe, school, or organizational team. The amount of social capital one possesses is dependent on one's ability to mobilize the maximum number of resources within one's network and access the amount of economic, social, or cultural capital possessed by each of those members (Bourdieu, 1983/1986).

Cultural capital can exist in three different forms. In its "institutionalized" state, cultural capital can be manifested through one's academic qualifications. The differences in the value of institutionalized cultural capital are linked to the different institutions that bestow these credentials (Bourdieu, 1983/1986). For example, a Master's degree from an Ivy League school may confer more cultural capital to the holder than the same degree earned from a state college. Institutionalized cultural capital makes it possible to place a comparative value on qualification holders who can convert cultural capital into economic capital (Bourdieu, 1983/1986).

The "objectified" state of cultural capital can take the form of physical and cultural artifacts such as books, paintings, and monuments. This form of capital can also be converted and transferred as economic capital, i.e. one can purchase a book. However, the means or knowhow to consume these artifacts is less transferable and requires the accumulation and deployment of the cultural capital in its final, "embodied" form (Bourdieu, 1983/1986).

Embodied cultural capital takes time to accumulate. The individual must invest time and personal effort to acquire it, which makes it difficult to delegate or directly transfer like economic capital. Embodied capital is converted into a habitus dependent upon the society and social class one is in, and cannot be accumulated or transmitted beyond the capabilities of the individual. Therefore, it may go unrecognized as an actual form of capital and instead becomes a legitimated, non-economic form of class hierarchy and domination continually reproduced within the social structure or broader field one is in. Embodied capital is a symbolic, as opposed

to material, form of capital, whose transmission is largely hidden yet can be a significant cause of inequality (Bourdieu, 1983/1986). Within this research, the possession, or lack thereof, of cultural capital played a significant role in executive relationships and employee-contractor relationships as the outsourcing program was in its early phases of implementation.

Field. Another lens from Bourdieu relevant to this study is his concept of "field" as the social arena and power structure positioning individuals based upon their habitus and the economic, social, and cultural capital they possess. Relationships and interactions between individuals in any given field are a type of market exchange where individuals develop "products" that are valuable to others in the field. Bourdieu discussed the concepts of an "economy" and "market" for symbolic goods within the literary and artistic fields where individuals use their power through any number of social institutions within the field such as galleries and patrons. The concept is equally applicable to other fields such as religion, politics, business, and academics. Thus, we can think of fields as quasi-competitions to create, accumulate, and control the types of capital most valuable to other members of that field (Bourdieu, 1993). Bourdieu's concept of field is not dissimilar to Kuhn's work on paradigms and scientific research (2012), which I discuss in an upcoming section. This research will draw attention to the business field within which Icarus exists and its influence on executives' decision making.

Cultural taxonomy and anomaly. Within any given system, assigned taxonomizers of stacked sets of binary qualifiers establish a form of de facto discrimination. Classic examples include age, race, and gender taxonomizers to create social hierarchies. According to Lincoln, "all members of a given class are assigned to one of two subclasses: those who possess the trait or property in question, and those who do not" (1989, p.133). Dominant members of the

taxonomy reinforce these classifications as naturally-occurring phenomena, thereby legitimizing their power through the sanctioned oppression of other members. Thus, those in power may dismiss subordinated members' claims of injustice as "unnatural" in a given sociotaxonomic structure.

Both dominant and suppressed groups may attempt to invert sociotaxonomic structures to maintain or challenge the status quo to their respective benefit. By making the attractive, unattractive, or the reverse, groups may be able to challenge the social order. Through skillful use of slogans or symbols, leaders may successfully advocate the advantages of a new course of action, once considered unfavorable, as newly beneficial to a group. Put differently, from the perspective of the group in power, a subordinated group challenging the status quo may be convinced that a counter-position is actually to their benefit. Additionally, once inverted, taxonomies are also open to counterinversion, which can strengthen the initial taxonomy (Lincoln, 1989).

Lincoln addressed the idea of anomalies as a means to challenge the social order or taxonomy within a given community, and emphasized their sociopolitical implications:

Thus (1) an anomaly is any entity that defies the rules of an operative taxonomy or (2) an anomaly is any entity, the existence of which an operative taxonomy is incapable of acknowledging. In the first case the taxonomy is taken to be normative and the anomaly deviant. In the second the anomaly is judged legitimate; the taxonomy, inadequate, distorting, and exclusionary. Under the terms of both definitions, however, it is possible to see how anomaly may pose danger to and be exposed to danger from the taxonomic order in which it is anomalous, just as deviants are considered outlaws when the

legitimacy of legal systems is affirmed, but rebels when such systems are judged

illegitimate. (Lincoln, 1989, p. 165)

Anomalies can be ignored, scorned, or subjugated, but they always remain a possible threat to the taxonomic structures by which they are marginalized. The very existence of these anomalies does more than cause friction within a given paradigm; they call into question the legitimacy of the taxonomy itself. By revealing the limitations and paradoxes stemming from the subjective nature of social orders, anomalies can also be used to challenge and deconstruct sociotaxonomic structures.

Rituals. The most common "rituals" I observed during this research dealt with specific behavioral patterns governing executives' communications about the outsourcing program to employees and the manner in which executives made decisions amongst themselves. Unlike formally codified guidelines or processes, executives' communication and decision-making rules followed patterns of social codes studied by Bourdieu (1972/1977, 1979/1984, 1983/1986, 1993), Lincoln (1989), and Jackall (2010), whom I discuss in the next section.

Rituals are dramatic forms of social discourse used to reinforce cultural myths and maintain a sense of common belonging. They are moments set apart from "normal" times where symbolic performances legitimize the dominant groups' authority. Some rituals do, however, create pockets of social stability where anxieties between social groups are temporally masked, but they do not eliminate tensions between groups. Some segments of a society always benefit at the expense of others (Lincoln, 1989).

Rituals encode, translate, and diffuse messages. As Lincoln (1989) described, "…they play an active and important role in the construction, maintenance, and modification of the borders, structures, and hierarchic relations that characterize and constitute society itself" (p. 75).

For example, the manner and order individuals are seated at dinner tables, high state occasions, or even meetings in a business setting can communicate messages of social order and significance. Persons of different rank may be formally assigned to different seating locations or roles during these rituals. Actors may assume these roles informally or out of habit as well and recognize when different individuals are "out of place" by accidently or deliberately assuming a position not typically assigned to them. These rituals signify social solidarity by noting who is an insider or outsider to the ritual as well as the hierarchy of those participating inside the ritual. Rituals then serve as a way to regularly construct and reconstruct the borders and subcategories of social orders.

Extraordinary, deconstruction, and resistance rituals. Normal rituals, as just described, are intended to maintain an established order or practice. In events where these rituals cannot maintain social integration, extraordinary rituals may be invoked, improvised, and performed to symbolically and substantively redress the failed normal ritual (Lincoln, 1989). Contemporary examples include divorce proceedings as a response to a failed marriage, or impeachment proceedings as a response to a failed politician.

Rituals are also a means with which to deconstruct society. A "schism" ritual is a way to divide a group, while a "massacre" ritual eliminates some portion of a social unit. Lincoln (1989) illustrated these rituals with algebraic examples. An Integrated Society = (A + B), a Schism = (A + B) $\rightarrow$ (A) + (B), and a Massacre = (A + B) – B $\rightarrow$ (A). Both forms redraw the borders of a society (represented by parenthesis), one just more dramatically than the other. In the case of schism, two competing segments separate yet remain part of the larger society, whereas massacre eliminates all members of one of the original segments.

The bureaucratic ethic and morality of corporate managers. Managers in modern bureaucratic organizations develop their personal ethics, decision-making preferences, and sense of how the world works based upon the "organizational rules in use" by their superiors. Given the prevalence of bureaucratic structures of control, power, and privilege in nearly all modern institutions, it is not surprising that the moral code of most organizations is then the de facto ethics of corporate managers. Jackall (2010) posited:

> Bureaucracy transforms all moral issues immediately into practical concerns. A moral judgment based on a professional ethic makes little sense in a world where the etiquette of authority relationships and the necessity for protecting and covering for one's boss, one's network, and oneself supersede all other considerations and where non-accountability for action is the norm. As a matter of survival, not to mention advancement, corporate managers have to keep their eye fixed not on abstract principles but on the social framework of their world and its requirements. Thus, they simply do not see most issues that confront them as moral concerns even when problems might be posed in moral terms by others. (p.117)

The corporate manager is more likely to make decisions with an "eye fixed on what has to be done to meet external and organizational exigencies" (p. 140) than weigh choices through a broader moral frame of independent thinking or professional code of ethics. This form of compartmentalized thinking creates "vast systems of organized irresponsibility" (p. 100) that insulates upper-echelon decision makers from the consequences of their actions. Thus, understanding the elements of this bureaucratic moral code is warranted and applicable to this research.

When faced with making nonroutine decisions or addressing "gut decisions" for which procedures do not exist, managers practice behaviors Jackall (2010) described as "looking up and looking around." In these situations—particularly those involving significant money, exposure, or organizational impacts—managers are motivated to "make things turn out the way they are supposed to, that is, as defined or expected by their bosses" (p. 81). Faced with "gut decisions," managers often have a sense they are in over their head, but would never reveal these feelings of self-doubt to others.

Bureaucracy encourages the upward flow of credit and downward flow of details. Thus, many managers become adept at avoiding certain decisions, even if they have decision-making authority. One's ability to sidestep decisions is tied to dexterity with symbols, particularly the use of euphemistic language. More vexing problems call for more dry and vague, albeit elaborate, language to describe the situation. Advancement beyond upper-middle executive levels requires a mastery of manipulating this fluid discourse (Jackall, 2010).

Jackall (2010) suggested that corporate managers work in "an endless round of what might be called probationary crucibles" (p. 43). This endless state of being on probation creates persistent anxiety in managers while also conditioning and training ambitious managers on what is needed to succeed at higher levels. Managers need to seek and successfully obtain the support of higher-level leaders who can act as sponsors, mentors, and patrons to provide them with opportunities for visibility to showcase their abilities and stand out from their peers. Ultimately, the moral code of the bureaucratic organization contains the following general edicts:

(1) You never go around your boss. (2) You tell your boss what he wants to hear, even when your boss claims that he wants dissenting views. (3) If your boss wants something dropped, you drop it. (4) You are sensitive to your boss's wishes so that you anticipate

what he wants; you don't force him, in other words, to act as boss. (5) Your job is not to

report something that your boss does not want reported, but rather to cover it up. You do

what your job requires, and you keep your mouth shut. (p. 115)

Further exacerbating the social difficulties of managers is the "fragmentation of consciousness"

(p. 88) or marginalization of their ability to reflect about the future because of the pressure to

produce annually, quarterly, monthly, and daily results. Institutions reward managers who

successfully navigate the matrix of institutional logic, exigencies, and individual advantage to

produce expedient results. In return, "the manager alert to expediency learns to appraise all

situations and all other people as he comes to see himself—as an object, a commodity,

something to be scrutinized, rearranged, tinkered with, packaged, advertised, promoted, and

sold" (p.125). The eventual consequence of this constant yielding to expediency is the erosion of

any firm ethical lines for corporate managers' decision-making framework.

The abilene paradox. Leaders are susceptible to taking actions contrary to the real

preferences of a majority (if not all) group members. In doing so, they defeat the true goals they

are actually trying to achieve. This inability to manage agreement among group members stems

from individuals' beliefs that their personal preferences run counter to those of the other

members. Leaders refrain from raising objections out of the fear of ostracism or other anxieties

they assume will be of greater personal consequence than acquiescing to the will of the group.

When leaders fail to effectively communicate their beliefs to one another, they enter into a tacit

and de facto collusion with one another that can lead to dire consequences for their organizations

(Harvey, 1988).

Harvey (1988) relates this paradox through an allegory of a car trip he takes with his wife

and her parents from Coleman, Texas to Abilene. Harvey's father-in-law suggests the fifty-three

drive, in the middle of summer, in a car with no air conditioning, to eat lunch at a "hole-in-the-wall" diner. Each family member agrees enthusiastically. The sweaty, dusty, four-hour expedition leaves the travelers exhausted, possibly battling indigestion, and irritated with one another once they return home. In taking stock of the journey, the family members reveal they never really wanted to go to Abilene. As the family's argument escalates, each suggests they only favored the trip to satisfy the others. In reality, the drive to Abilene was the exact opposite of what each wanted, which was to stay home. Harvey suggests this paradox—group members publicly going along with a decision that each of them privately disagrees with and knows is counter to the group's best interests—is a major source of organizational dysfunction.

Members of a group "on the way to Abilene" fail to accurately communicate their individual beliefs, which lead members to misperceive the collective reality. Frustration builds as the group continues to take counterproductive actions. Members often divide into subgroups or camps to blame others, or authority figures, or each other, and rationalize why they are unable to do anything to stop the crisis. Privately, they assign each other into "victim" and "victimizer" roles. Publicly, members are prone to maintain positive appearances in order to not raise the suspicions or ire others. These groups find themselves stuck in a cycle of what Harvey (1988) labels "phony conflict" because these differences, "stem from the protective reactions that occur when a decision that no one believed in goes sour" (p. 33). The paradox is a failure to manage agreement among group members, not an actual conflict or debate over what leaders truly believe are the right actions. Rather than coping with the paradox, which only exacerbates the dilemma, Harvey recommends confrontation in group settings as an effective way to stop "unwanted trips to Abilene."

Moral Careers in Information Technology

  Moral career. As is discussed at length in Chapter Four, one of the unique aspects of this research is that I am both the researcher and an actor within the organizational habitus and information technology field. I started my career as a computer programmer and am now an executive with responsibilities for IT negotiations, procurement, and vendor management. Put another way—that of Erving Goffman—I have developed a number of "moral careers" that characterize the developmental stages of a successful information technology professional. Goffman's (1961) view of "moral career," or the sequence of change and reputational attributes one develops over time while working within a field or organization. Goffman further explained:

    Each moral career, and behind this, each self, occurs within the confines of an institutional system, whether a social establishment such as a mental hospital or a complex of personal and professional relationships. The self, then, can be seen as something that resides in the arrangements prevailing in a social system for its members. The self in this sense is not a property of the person to whom it is attributed, but dwells rather in the pattern of social control that is exerted in connection with the person by himself and those around him. This special kind of institutional arrangement does not so much support the self as constitute it. (p. 168)

Goffman's research on "moral career" also considered the "total institution" within which one's career takes place. Although Goffman did not consider corporate bureaucracies to be "total institutions" in the same manner as hospitals, asylums, prisons, boarding schools, and monasteries, the concept of "moral career" is applicable to my career and those of the other actors in the present research.

Impression management. Goffman (1959) considered our everyday interactions with one another as part of a larger dramaturgy where individuals behave differently in "front regions" versus "backstage" performances and social settings. The powerful metaphor of the theater is central to Goffman's analysis. When we are in front-region settings, we are performing in roles on stage with other actors and in front of an audience. We may choose different social settings, costumes or appearances, or manners of interacting (i.e. gestures, body language, and facial expressions) to manage audience impressions when we are in the front region.

Just as with a theater, backstage settings are physically separated from the front stage, and audience members are restricted from entrance:

> Since the vital secrets of a show are visible backstage and since performers behave out of character while there, it is natural to expect that the passage from the front region to the back region will be kept closed to members of the audience or that the entire back region will be kept hidden from them. This is a widely practiced technique of impression management. (Goffman, 1959, p. 113)

It is generally considered taboo for an audience member to gain access to the backstage region. In the event this occurs, actors may employee different techniques such as welcoming the newcomer as a backstage member or putting on a different performance designed to give the newcomer the appearance of witnessing a "normal" backstage moment (1959). This research explores the front region and backstage communication and decision-making performances delivered by executives to socialize the outsourcing strategy with employees and each other.

Technical labor commodification and deskilling. A central problem facing bureaucracies is maximizing the productivity and value extracted from their labor. Providing a solution for this problem is the essence of Taylor's (1911/1998) *The Principles of Scientific*

Management. The challenge, according to Taylor, started with the information asymmetry between laborers and foremen in which laborers possessed most of the knowledge required for the production of goods. Taylor's scientific management broke the production system down into its component pieces with labor specialization for individual steps, not the entire process. Under this approach, the craft skills and knowledge for production were distilled into the simplest of repetitive tasks. Individual worker efficiently and productivity can be measured and improved upon, while the overall knowledge of the production system is transferred from the laborers to the foremen.

Braverman (1998) suggested that modern management came into being based upon the proliferation of Taylor's scientific management principles, and these same principles apply to information technology outsourcing. Braverman's synopsis of Taylorism mirrors the requirements of gathering, contracting, and governance approach to outsourcing:

> The first principle is the gathering and development of knowledge of the labor process, and the second is the concentration of this knowledge as the exclusive province of management—together with its essential converse, the absence of such knowledge among the workers—then the third is the use of this monopoly over knowledge to control each step of the labor process and its mode of execution. (p. 82)

As employers introduce automation and technology as labor replacements, they may attempt to adjust workers to increasingly unpopular jobs by actually granting higher wages and benefits to a shrinking workforce (Braverman, 1998). Similarly, one could view an ITO contract as means to control the IT labor process, concentrate that knowledge in specialized roles (i.e. vendor and contract management), and use the contract to control vendor labor. Thus, a scientific management approach to information technology leadership may persuade executives to adopt

outsourcing practices. However, the ritual may also leave managers with the difficult task of incentivizing some employees to transition to contract management roles they view as deskilled versions of their previous engineering or business analysis roles.

Infocentrism and information technology outsourcing. As implied by its very name, information technology outsourcing (ITO) is a naturally infocentric business practice. Said differently, ITO contracts represent firms' attempts to systemize the transfer of knowledge from its employees to the employees of a third party. However, what is less likely to be codified in a contract (and easily overlooked when developing a business case for IT outsourcing) are what Brown and Duguid (2000) described as, "all the fuzzy stuff that lies around the edges—context, background, history, common knowledge, social resources" (p. I). As this study will show, an overreliance on information (content) over "fuzzy stuff" (context) left Icarus executives' operating with a tunnel vision that would prove to be damaging to their ITO program.

In addition to learning technical knowledge, ITO service providers need to learn the "processes" and standards for working in the buyers' environment, and the how to put those "processes" into "practice" to perform their job duties. Brown and Duguid (2000) make a clear distinction between "process" and "practice" (i.e. content versus context) and their impact on how individuals learn in a social environment:

> While process is clearly important to the overall coherence of an organization, in the end it is the practice of the people who work in the organization that brings process to life, and, indeed, life to process. Organizations, then, should not attend to the process and process-related explanations only. They must also attend to practice. (pp. 96-97)

There is a difference in "learning to be" versus "learning about," or developing "know how" versus "know of." Just because an ITO contract has been established, for example, engineers

from the third party are unlikely to be immediately as effective as the hiring firm's incumbent employees. Even if the third party engineers are presented with all of the needed content and "processes," they are likely to need considerable time and interactions with existing engineers "around the edges" of this information to develop the "know how" of the systems they are now managing. The accumulation of "know of" does not guarantee "know how." It is "practice" that allows people to make sense of and use that information. Thus, learning, in an organizational sense, is not a response to a steady supply of facts. Rather, it involves collaborative problem solving, storytelling to contextualize information, and improvisation to close the gap between the routines of "process" and the reality of "practice" (Brown & Duguid, 2000).

Infocentric approaches to strategy and change focus on surface issues and can lead to oversimplification. When something works well, we may be ignorant of the support we are getting from the social periphery of our environment. We ignore the intermediaries that turn "process" into "practice" and "know of" into "know how" over time. It is only when something goes wrong that the "fuzzy stuff" becomes illuminated, and we are quick to blame these forces in the horizons and margins of our environment for our every misfortune (Brown & Duguid, 2000).

Ultimately, Brown and Duguid (2000) argue that infocentric predictions of future events and strategies suffer from a modernistic and reductive focus where we, "tend to take the most rapid point of change and to extrapolate from there into the future, without noticing other forces that may be regrouping" (p. 31). Left unchecked, our infocentric approaches are directed at data most interesting or obvious to us. From there, we are quick to develop ill-informed prognostications ignoring things that lie beyond information. Hence, overemphasizing information at the expense of context leads to a form of social and moral blindness surmountable only by embracing the "fuzzy stuff that lies around the edges."

The Structure of Scientific Revolutions and Paradigms

This research draws heavily from Kuhn's work on paradigm forms in *The Structure of Scientific Revolutions* (2012) to address much of the data collected. Kuhn is widely credited with bringing the use of the word *paradigm* to its prominent, and now oft overused, place in the English language following his original 1962 publication of *Structure*. Our Western understanding of "paradigms" and the concept of "paradigm shifts" are traceable back to Kuhn's work. The banality of these terms in today's parlance requires starting with a specific definition of "paradigms" before proceeding into a discussion on the structural elements of paradigms as applied to this research.

Kuhn's (2012) fundamental idea was that the basis for any scientific community is prior achievements that still present numerous open-ended questions for the community to solve and resolve. These achievements serve as archetypes or models of accepted practices, rules, and traditions. Thus, a paradigm serves as "an accepted judicial decision in the common law…an object for further articulation and specification under new or more stringent conditions" (p. 23).

Normal science and puzzle solving. A paradigm remains stable as long as the problems being solved acquiesce to recognized methods and rules. This "puzzle solving" constitutes a type of "normal science" that adds to the community's knowledge of prior achievements and reinforces the set of beliefs about, and relevance of, these achievements or paradigms of the group. In a business setting, conducting normal science is akin to the concept of "operations." In the "normal" course of doing business, several operational problems need to be addressed and solved. Some may be routine, while others, such as the need to significantly increase the number of IT laborers examined in this study, are larger and more complex.

Anomalies. In these (Kuhnian) terms, business operations under normal conditions do not generate novel or innovative concepts, nor are they designed to (Kuhn, 2012). Yet anomalies, or violations of the paradigm's rules, not only occur, but as concerns information technology in the contemporary arena of an increasingly digital society, do so frequently. Anomalies, or findings that do not quite adhere to the established order, can appear within the paradigm over time. Some are solved, while others are set aside to be addressed in the future. As unsolved anomalies accumulate in number, they become difficult or impossible to fit into the archetype of the science. A "crisis" can follow and lead to a scientific revolution where the previous paradigm is rejected in light of a new set of achievements, i.e. a "paradigm shift" (2012).

Crisis and revolution. Practitioners continually employ the tools and ideologies of an existing paradigm as long as those tools adequately solve the problems the paradigm defines. Scientific retooling comes at a cost to the existing rules, which is fraught with debate and anxiety among the community of practitioners. Existing rules, methods, and theories become increasingly vague and less useful during these crises. Research guided by the once previously established rules of the paradigm begins to produce more problems than solutions (Kuhn, 2012).

Kuhn (2012) offered three possible conclusions to all crises. Occasionally the science of the current paradigm ultimately handles the anomaly—what appeared to be the end of a paradigm proved to be a tough but solvable puzzle. Another path is that the anomaly resists traditional and more radical approaches and is thus set aside for a future generation to solve with perhaps more advanced instruments. Lastly, if the crises cannot be solved after successive attempts and cannot be set aside, the emergence or shift toward a new paradigm candidate and a battle for its acceptance is likely.

Scientific revolutions often break communities into different camps who seek to either maintain the old paradigm or legitimize the new order. Each group defends and views its respective paradigm as evidence refuting the other's paradigm. No paradigm solves all of the problems it uncovers, and no two competing paradigms leave the same problems unsolved. Therefore, the resolution of paradigm revolutions generally involves considerable debate over which are the most significant problems to be resolved, and which paradigm can win the allegiance of the majority of the community (Kuhn, 2012).

In this study there was a scientific revolution, of sorts, which was the nature of doing information technology work in digital retailing during the early twenty-first century. In their attempt to resolve it, Icarus executives determined they could no longer follow their "normal science" of traditional project management with employee engineers and vendors in a staff augmentation model. In this new era, Icarus executives developed a model of evidence testing and decision making for outsourcing dubbed the Global Staffing Strategy (GSM). This strategy led to the creation of a bold managed services outsourcing project known as the Strategic Staffing Program (SSP) that was aimed at solving a perceived IT labor shortage or "capacity problem."

However, the upcoming chapters of this dissertation will discuss how executives failed to consider SSP as the next step in a revolution toward a new ITO paradigm at Icarus. What executives did instead was to look backward at an earlier attempt at a managed services agreement known as Project Phoenix. Three years prior to SSP, executives launched Phoenix as an intended managed services outsourcing project; however, it quickly devolved into a large-scale staff augmentation relationship. Executives knew that Phoenix was not working as intended. Nevertheless, they in effect approached SSP as if adding "bells and whistles" to the

Project Phoenix approach would make their latest attempt at a managed services agreement a success.

Executives did not examine the reasons why Project Phoenix never became a jewel in the crown the Icarus IT department—they were unexplored anomalies. Instead IT executives attempted to implement a new managed services approach to software development (SSP) that co-existed with an IT organization still operating in a siloed "software factory" and largely dependent upon on the Project Phoenix approach to staff augmentation. In Kuhnian terms (2012), Icarus IT executives only half engaged in the scientific revolution of digital retail, and broke into different camps of support and non-support for SSP, which left them unprepared to address the new anomalies that would arise under this misguided approach.

CHAPTER THREE

RESEARCH METHODS

This research departs from the broader canon of quantitative-based Information Technology Outsourcing (ITO) diffusion studies and follows a grounded theory case study methodology. As discussed in Chapter 1, Beverakis et al., (2009) presented research of a similar scope, which I discuss further here. I begin with a methods review of previous quantitative ITO diffusion studies followed by an appraisal of the qualitative ITO diffusion studies I discovered in my literature review. Next, I discuss grounded theory and case study methodologies as approaches for the present study. I then review my study timeline, data collection sources, modes of data analysis, validity and generalizability matters, and ethical and confidentiality considerations.

Methodological Traditions

Quantitative studies dominate the innovation-diffusion literature applying to information technology outsourcing. Past research relied upon deterministic models (Bass, 1969, 2004; Davidson & MacKinnon, 1981; Mahajan & Peterson, 1985) to explore macro themes of *why* outsourcing diffused as a business strategy and *what* firms choose to outsource (Loh & Venkatraman, 1992; Hu et al., 1997). Evaluating the effectiveness of these approaches, Blaskovich and Mintchik (2011) concluded:

> Research has had a difficult time developing empirically supported frameworks for measuring ITO success or failure. Similar to the productivity paradox, it remains unclear whether we are unable to measure the results or if ITO fails to deliver the anticipated benefits (p. 28).

The gap in the literature is to understand *how* an outsourcing strategy diffuses through an organization rather than a quantitative analysis of *why* and *what* was outsourced. Adjusting the frame from the macro to the local requires a different research approach. Blaskovich and Mintchik (2011) reach a similar conclusion: "due to the novel nature of this phenomenon [ITO], exploratory case studies that apply grounded theory methodology are warranted to assist with generation of hypotheses for subsequent empirical testing" (p. 22). Therefore, this research's departure from the broader, deterministic methodologies of traditional ITO diffusion research toward one drawing upon grounded theory methodology in the modes of Strauss and Corbin (1998) and Charmaz (2006) is warranted.

Considering quantitative methodologies of outsourcing diffusion studies.

Quantitative models dominate the outsourcing diffusion research included in the major ITO literature reviews I reviewed (Dibbern et al., 2004; Gonzalas et al., 2005; Lacity, Khan, Yan, & Willcoks, 2010). Outsourcing diffusion analysis best aligns with Rogers's (2003) marketing and management tradition of diffusion studies where researchers' particular interests are predicting adoption rates of new products. Given the dominance of quantitative regression models in prior ITO diffusion research, is not surprising that fewer than half of the studies in the major ITO literature reviews employ qualitative methods.

The diffusion studies applying to ITO that emerged in the 1990s (Loh & Venkatraman, 1992; Hu et al., 1997) focused upon the broader proliferation of outsourcing as a business innovation versus how the execution of outsourcing strategies diffused within these organizations. Loh and Venkatraman (1992) and Hu et al. (1997) framed their contributions to the outsourcing and innovation diffusion literature by asking *why* (outsourcing diffused as a business strategy) and *what* (firms choose to outsource) research questions. The research

methodologies employed clearly align with the quantitative, deterministic models (Bass, 1969, 2004; Davidson & MacKinnon, 1981; Mahajan & Peterson, 1985) dominant in the marketing and management research tradition of diffusion studies.

Both Loh and Venkatraman (1992) and Hu et al. (1997) used an extension of the Bass (1969) model for forecasting diffusion rates for consumable durables (e.g. household appliances) previously discussed. They used the Mahajan & Peterson (1985) diffusion model for analyzing the impact of internal, external and mixed communication channels on the spread of an innovation over time. When challenging Loh and Venkatraman (1992), Hu et al. (1997) followed the Mahajan & Peterson (1985) diffusion models with additional procedures for testing the validity of regression models as suggested by Davidson and MacKinnon (1981).

Mahajan and Peterson (1985) provided multiple variants of their model, e.g. multi-innovation, multistage, and models accounting for change agent influence, yet all are grounded in what the authors refer to as their fundamental "deterministic rate equation" (p. 14) model. While deconstructing the statistical analysis performed by Loh and Venkatraman (1992) and Hu et al. (1997) is beyond the scope of this study, I specifically highlighted these models to acknowledge their strong influence in the largely quantitative and deterministic research methods of innovation diffusion studies.

Considering qualitative methodologies of outsourcing diffusion study. Beverakis et al. (2009) offer one of the few qualitative outsourcing quasi-diffusion studies. This study is also noteworthy for its grounded theory methodology in the modes of Strauss and Corbin (1998) and Charmaz (2006). The researchers relied on semi-structured interviews, document analysis, and field observations over a six-month period as executives at ComputerInc (pseudonym) determined which areas of its IT operations were best suited for outsourcing. Additionally, the

researchers suggested that further qualitative, grounded theory study of "how" ITO strategies diffuse within an organization would be valuable:

> The impact of personal opinions and bias could prove to be an impediment to the success of such of an offshore sourcing project. A study of this impact could prove extremely valuable and make a significant contribution to the offshore sourcing field, in both theory and practice. Additionally, the principal researcher saw very little questioning of the decisions made by the executive management team. The decisions were simply accepted as fact even though many of the people involved had first-hand, on-the-ground experience with the roles being sent offshore. It may be that this could be the reason behind why a number of the employees did not fully comprehend the organisation's *[sic]* reasons for going offshore. The authors believe management gathering ideas from those directly involved would be an extremely interesting area for research. Other limitations include the potential opportunity for the interviewees to mislead the researcher or push a point of view, the relatively brief time-frame in which the study was conducted and the organisation [*sic*] to which the tasks were outsourced being outside the scope of the study. (p. 45)

I address many of these research opportunities in this study.

While Beverakis et al. (2009) conducted their research from within the company they studied, they were not actual employees of that organization. Among the other related studies discussed in Chapter One, the second author of Hong and O's research (2009) was an insider during the initial research phases. Although able to observe and participate in a number of formal and informal activities related to the case, the authors' exact role is not disclosed in the research.

While their study included only ten interviewees, it did benefit from the inclusion of two former contractors in their data sample.

The locus of Clott's research (2007) differed; each of the nine interviewees worked for different firms versus a case study at a single organization. Additionally, Clott's work focused on the organizational scanning and learning performed by project managers versus a grounded theory of how their respective outsourcing projects began, evolved, and implemented. Like Clott (2007), Lacity and Rottman (2009) conducted semi-structured interviews with project managers from multiple organizations. However, the latter study was broader and included sixty-seven individuals from twenty-five companies. All except one of the companies in the Lacity and Rottman (2009) study were U.S. firms—one was located in the U.K.

Grounded Theory

Grounded theory is rooted in the Chicago school traditions of pragmatism and field research. Its defining components include simultaneous engagement in data collection and analysis, developing analytic codes and categories from data, making comparisons during each analysis step, and evolving theory development through the research process. A grounded theory study considers "human beings as active agents in their worlds rather than as passive recipients of larger social forces" (Charmaz, 2006, p. 7). Researchers conducting grounded theory studies collect and analyze qualitative data from people's experiences in naturalistic settings. The aim of grounded theory research is to explain the studied social phenomena in new, substantive, theoretical terms that may also apply to broad formal theories (Charmaz, 2006).

Grounded theory fieldwork begins with gathering rich data through interviews and ethnographic observations. Data analysis begins with open coding of interview transcripts to identify major categories of information. Axial coding consists of focusing on a single or few of

the open codes as major themes and then returns to the data to develop categories around the

core phenomenon. Throughout this process, the data collection and analysis rely on memo

writing to analyze codes, compare data, explore emerging themes, and guide additional data

gathering. Final research steps include selective coding and writing the draft to articulate final

hypothesis and theories describing the interrelationships of the categories under observation

(Charmaz, 2006).

Case Studies

Like grounded theory, the origins of modern case study research are traceable to the

University of Chicago's Department of Sociology's research from the first half of the 20th

century. A case study researcher explores an issue within a bounded system through detailed data

collection from multiple sources, i.e., interviews, ethnographic observations, and documents.

There are three variations of case studies: instrumental, collective, and intrinsic. For instrumental

cases such as the present study, researchers focus on one issue or concern and then select a single

bounded case to explore the issue. A collective case study is also concerned with one issue, but

the researcher will select multiple cases to examine. In intrinsic case studies, the case itself is the

central focus because of its unique nature. Finally, case studies often conclude with an

interpretive phase or lessons learned about the situation (Creswell, 2007).

Data Collection

I selected interview participants and documents for review based upon my knowledge of

who was involved in IT outsourcing strategy development, execution, and impact at "Icarus," the

pseudonym used throughout this study for the case organization (see the latter part of the

upcoming chapter for a broader overview of Icarus). Maxwell (2005) refers to this category of

selection methods as purposeful sampling. Additionally, I used snowballing (Bogdan & Biklen,

2007) as a means to augment my interviewee population, thus accounting for individuals falling outside my awareness of those closest to the events of the study.

The interviewee initial solicitation email is included in Appendix A. All interviewees signed and received a copy of a consent form (Appendix B) which I also read to each subject before beginning the interview process. Interviews with directors and vice presidents were conducted in their offices at Icarus; all other interviews were held in my office at Icarus. Interviewees were given the option to select a different interview location, although none elected to do so.

A categorization of notable interviewee characteristics is in Figure 3.1 below.

Total Interview Participants:	36
Race: White / Other	34 / 2
Gender: Female / Male	11 / 25
Executives	13
Directors	4
Vice Presidents	9
Employees	23
Engineer	6
Business Analyst	6
Project Manager	3
Manager	4
Sr. Manager	4

Figure 3.1. Interviewee Characteristics

In order to triangulate my data, my interview sample included IT executives (directors and vice presidents), senior managers, line managers, and non-management IT workers including engineers, business analysts, and project managers. Finally, as I am also a participant in my research, I was able to gather rich ethnographic data through my own observations and notes as an additional, reflexive source of data and further means of triangulation and validation.

I interviewed thirty-six unique subjects once and conducted follow-up interviews with fifteen of these subjects to capture any changes or differences in their experiences from the beginning of my data collection to the later phases. In total, I conducted fifty-two semi-structured interviews (see Figure 3.1), each lasting between thirty and sixty minutes over the eighteen-month period between September 2012 and February 2014.

I employed a third-party service to transcribe the interviews. I added memos and observer comments (OCs) as I reviewed and reflected on the interviews. Additionally, I used memos to capture my experiences in the outsourcing work and added memos and OCs as I reviewed internal documents, images, and other non-human artifacts relevant to the study. The transcribed interviews yielded over seven hundred pages of single-spaced text. I performed open, focused, and axial coding on this material as my primary means of data analysis.

I conducted open coding throughout the eighteen months of data gathering. The follow-up interviews added new sets of codes as interviewees described different experiences since our initial conversations. Given the volume of data gathered, I developed an initial list of over one hundred and fifty codes that I later condensed to fewer than sixty. I reached data saturation as I analyzed data from both the original round of interviews and the later follow-up sessions. Individual interviews occurring near the end of the data collection cycles rarely generated new codes, but did provide data aligned to previously identified codes.

As suggested by Charmaz (2009), I used action verbs or gerunds to establish my initial codes. Rather than trying to discretely fit actors into Rogers's (2003) adopter categories (innovators, early adopters, early majority, late majority, and laggards) I used these labels as guides for coding the sequence of actions grounded in the data. Furthermore, I addressed McMaster's (2001) criticism of diffusion theory and flattened the strata of interviewees into a

binary pair of "executives" and "employees" (or innovators and recipients). As my coding

progressed, I compared and contrasted comments made by employees with those made by

executives. Evaluating employee-to-employee, executive-to-executive, and employee-to-

executive comments provided insights into how these different groups understood their

situations.

I began to develop larger categories and units of analysis during focused coding.

Examining the most significant and frequent data from initial coding, I categorized data into

themes that would form major analytical sections of this research. These focus areas included

company culture, communication and decision making systems, executives' career aspirations,

bureaucratic power structures and struggles, and individuals' beliefs about why the outsourcing

project was or was not successful.

Next, during axial coding, I discerned the codes into a concept map representing

relationships between subcategories of data and the major units of analysis. The concept map

formed the general outline of this grounded theory and suggested the relevant theories (discussed

in Chapter Two) for analyzing the data. Chapter Five covers the Icarus habitus, digital retail

field, the Icarus IT Department organizational structure, and the Icarus IT taxonomy. Chapter Six

addresses the factors that lead to the creation of the outsourcing program and provides an

overview of the outsourcing project. In Chapter Seven, I explore back stage and front stage

decision-making rituals and communication practices. Finally, in Chapter Eight, I address the

impacts that both executives' career aspirations and anomalies to executives' plans had on the

outsourcing project.

I used pseudonyms for a handful of principal actors because they were central to the

events that influenced SSP and activities where referred to by several interviewees. However, in

most instances throughout the data analysis, I do not name or provide pseudonyms for specific individuals. Instead, I only note if the quotation came from an "employee" or an "executive." The "executive" group includes directors and vice presidents; any employee who is a Senior Manager or below is included in the "employee" group.

There are four reasons for using these monikers. First, as already mentioned, I followed McMaster's (2001) criticism of diffusion-theory and flattened the strata of interviewees into a binary pair of "executives" and "employees." Second, interviewees participated in the research with explicit commitments to their confidentiality. Third, this research is a grounded theory study. Presenting the events from these different positions within the IT department was my way of harmonizing disparate perspectives into a quasi-singular narrative of how and why SSP unfolded as it did. Finally, the "executive" versus "employee" distinction also became apparent as a layer of the Icarus IT Department taxonomy as I applied Lincoln's (1989) concept (discussed in Chapter Five).

Although I did not directly interview any ComTech contractors for this study, given my role at Icarus and the need to avoid any conflicts of interest, their voices are partially represented in the comments shared by Icarus employees included in this research.

Validity and Generalizability

Maxwell (2005) raised two threats to qualitative research validity—researcher bias and reactivity—and both apply to this study. In addition to conducting the research at my place of employment, I was also a central actor in executing the outsourcing strategy I studied. The fact that I entered the study harboring personal concerns that co-workers might lose jobs or become disengaged and leave Icarus as a potential consequence of the strategy's success raises the matter of my potential personal bias. Rather than attempt to eliminate my personal values from the

study, which Maxwell (2005) posits is not a realistic possibility, I made these personal beliefs transparent in personal memos as suggested by Charmaz (2006) as part of my data collection and analysis.

The second validity concern is reactivity (Maxwell 2005) as a result of my personal involvement in the outsourcing strategy. As with the bias concern, I attempted to be transparent in personal memos on matters where I recognize I had the potential to influence interviewee responses or results of the outsourcing project. Furthermore, I was able to gather rich ethnographic data over a sustained time period as further means of triangulation and validation. Given that I conducted the research at the firm where I work, I was able to gather rich data as compensating validity controls (Maxwell, 2005) through participant observation and to conduct intensive interviews.

My primary generalizability concern is one of "internal generalizability" or "the generalizability of a conclusion within the setting or group studied" (Maxwell, 2005, p. 115). As mentioned in the previous section, I augmented my interviewee sample by "snowballing," or asking individuals in my purposeful sample to recommend others who might be interested in participating in the study (Bogdan & Biklen, 2007). The intent of this technique is to ensure and demonstrate that I did not exclude specific interview candidates while selectively focusing on others. I documented all of the suggested interviewees and noted the number and reasons I did or did not conduct interviews with the snowball sample. The principal concern of this research is internal generalizability. However, given the macro economic and technological forces influencing corporate ITO practices (McCarthy et al., 2011), it is reasonable to suggest that this study's results may lend themselves to the development of theories extendable to other cases.

Ethics and Confidentiality

I presented my initial proposal for this research to Icarus Information Technology and Human Resource executives in September of 2011. I received final approval from Icarus on May 3, 2012. The director of Human Resources for the IT Department, the CIO, the Legal Department, and the Employee Relations Department each reviewed and approved my proposal to conduct the research presented here.

It was important for me to gain the trust of my interview participants. As most of my interviewees were also co-workers I was familiar with, I anticipated my fieldwork would produce some unique opportunities and challenges. I had closer relationships with some of my interview subjects than others, and some were more willing than others to share their experiences with me. There were personal political risks for me as well, and I was concerned that collateral conversations, rumors, and reactions would be generated by the mere fact I was interviewing a number of executives. I assume that my research created some pockets of conversation; however, I was never alerted to any significant concerns among executives or employees.

Finally, several aspects of my dissertation topic were confidential matters for Icarus while I was conducting my fieldwork. As such, I needed to maintain a high degree of confidentiality throughout the study. I did not focus on business details like vendor rates, contract terms and conditions, or employee salaries. I kept the records of this study confidential. The transcription service I employed signed a confidentiality agreement with me and I erased digital recordings once they were transcribed. I destroyed hard copies of interview transcriptions, notes, and analysis summaries once I completed coding the data. I stored transcriptions and copies of my analysis and notes on my personal, secure hard drive.

CHAPTER FOUR

THE MORAL CAREER OF AN INFORMATION TECHNOLOGY EXECUTIVE AT ICARUS

My professional career spans nearly twenty years of Information Technology (IT) technical and leadership positions, the last seven of which I have spent at Icarus. Prior to Icarus, I worked for ten years at a large insurance and financial services firm after earning an Associate in Applied Science degree from my local community college. I started my professional career as a computer programming intern and progressed as a software developer, business analyst, project manager, and infrastructure manager. During my last five years at Icarus, I have worked in Vendor Management and IT Negotiations, first as a senior manager and most recently as a director for the last two years. Today I am the director of Vendor Management for Icarus's Information Technology division and lead a team of over fifty sourcing and finance professionals in both the United States and offices in India. My responsibilities include overseeing contract strategies and negotiations, vendor relationship management, and managing over four hundred million dollars of annual hardware and software licensing expenses. In any given year, my team will source and manage upwards of one billion dollars of new committed contracts and annual expenses. The size and scope of the negotiations my team manages range from one-time purchases of less than one hundred thousand dollars for commodity equipment to multi-year outsourcing agreements worth hundreds of millions of dollars.

My teams frame many of their negotiations as "math and maintenance" problems. This translates to using the most leverage possible in a negotiation to get the best price, with a contract structured as simple as possible that allows for future amendments if needed. The approach may sound impersonal, but in the IT Vendor Management and Negotiations profession,

growing technological diversity and an increasing reliance on Information Technology Outsourcing (ITO) seem to pile up more requests for new contracts. It can feel a bit like treading water in a sea of contract paper. The running joke with my team is that the contract requests are like the chocolates on the line in the classic *I Love Lucy* episode where Ethel and Lucy work for the confectioner wrapping chocolates. They struggle to keep pace with the assembly line and resort to eating the candies or hiding them in their hats so their boss will not see they are falling behind. At one point, their boss walks in, and not seeing any chocolates on the floor, proudly says, "See, ladies, you are doing just fine. Speed up the line!" That is IT sourcing in a nutshell.

Personal Career Trajectory

Looking back from the present vantage point, I see a progression of decisions, opportunities, and changes that have shaped my career trajectory and my current views on leadership. Over the years, the one common thread through all of my roles has been my love of solving problems, which is very much aligned with Kuhn's (2012) view of the motivations of scientists to perform "puzzle solving" and conduct "normal science." Some of my most memorable career experiences have been when I can get lost in the work and lose track of time. While the types of problems I have solved changed dramatically over the years, I always felt engaged and reassured that I was in the right job at those times when I could get lost in what I was doing. When those moments did not exist or felt too far apart or rare in occurrence, I usually began seeking out new opportunities.

As noted in Chapter Two, Goffman's (1961) characterization of "moral career" as a sequence of changes one goes through in a career that shape one's sense of self seems suited to serve as a relevant analytic lens to reflect upon certain events in my career up to this point. Moreover, as developed in this chapter my moral career broadly parallels those of many actors at

Icarus. For that reason, the rest of this chapter offers useful background for the data analysis in Chapters Five through Eight.

Because his field work was done at a mental hospital, Goffman divided the experiences his research subjects endured during the pre-patient and in-patient phases of their moral careers. For me there are also a few distinct phases of my career connected by a sequence of formative experiences that have conditioned, and even reconditioned, how I view myself as an information technology professional and organizational leader.

Pre-professional phase. I view the initial phase of my career as my pre-professional phase. This time period includes jobs I held before and up through earning my Associate Degree and my first IT internship. I have always felt I started late on my education and professional career. I did not attend college immediately after high school. In fact, I did not start attending community college until I had been out of high school for five years. During that time I held a variety of jobs, the significance of which was the strong motivation they imparted to me to finally go to college in my early twenties. The year and a half I spent working in a factory stacking boxes of frozen turkeys for eight hours per day was the tipping point. I had no plan or direction of what I wanted to do next, other than to get out of the frozen-turkey business, so I moved back in with my parents.

They had recently purchased a new computer that ran the Windows 3 operating system and had early, dial-up Internet access via Netscape. I had little experience working with computers up to this point, but remembered my first experience getting lost solving puzzles with computers. Keep in mind that the early Internet browsing experience then was not the commodity we enjoy today; my sense of getting lost was not the same as hours of idle Internet surfing. I just got hooked on learning how to use and take care of the computer, which led to my

enrollment in a two-year computer information systems program. Success in my initial computer programming classes is what gave me a sense of direction and pointed my career compass toward information technology work.

My community college years were at the height of the Y2K preparations to review and update databases and software to correctly process data in the form of "00" as the year 2000, as opposed to 1900 (the de facto starting point universally used when computers first appeared). Needless to say, the specter of a computer-driven Armageddon created a surge in demand for computer programming skills, and during my final semester I landed an internship at a large Fortune 100 insurance and financial services firm. My internship was primarily an exercise in self-study; I was assigned a mentor and given a stack of programming manuals during my first day. I barely saw my mentor for the first couple weeks while I taught myself to write computer programs in Lotus Notes and Microsoft Visual Basic. I was offered and accepted a full-time position at the end of my internship, and still remember the sting of learning that my starting salary was several thousand dollars less per year because I did not have a Bachelor's Degree.

Information technology professional phase. My professional phase really began with that first full-time position following my internship. For the first eight years of my professional career, I progressed through a number of junior roles into more senior systems analyst or engineering assignments. I had my first opportunities working as part of a larger team and across teams. My experiences also included my initial exposure to life inside a corporate bureaucracy with its fiefdoms, competition for resources, hidden agendas, seemingly endless number of meetings, and "death by PowerPoint." Having never forgotten the tinge of inferiority, or chip on my shoulder, that I carried by not having a four-year degree, I returned to school part-time and completed a Bachelor's degree over the course of a few years.

Computer programming provided numerous technical puzzles to solve. I can still recall coming into the office, starting work on a particular section of code in the morning, and not leaving my desk for hours. I could get lost in the puzzle-solving feedback loop of thinking about a problem, writing some code, testing that code until it worked, and then moving on to the next problem. Those were wonderful learning experiences for me; however, I began to seek out different, larger problems. I transitioned from a technical role to that of a project manager and later a business analyst. Where my technical roles were more about solving problems on my own, my project manager and business analyst roles were more about solving problems with and across larger teams. My aspirations grew to manage a team, but I had my first professional experience with rejection when I was turned down for a manager promotion. It was a valuable lesson. I had gone into the interview over-confident, even cocksure, that I would get the job. In reality, I was underqualified for the position, not yet mature enough for the responsibilities, and came across as arrogant during the interview. I eventually earned my first manager assignment leading a large team of twenty-five highly tenured and technical engineers and entered the next significant phase of my career.

Mid-level manager phase. Knowing my excitement at getting my first office with a door, one of my mentors gave me some advice that has always stuck with me. The metaphor is somewhat dated now, given the massive amount of digitization that has since occurred, but the lesson is still just as valuable. As I was preparing for my very first day as a manager, my mentor counseled, "When you walk through your office door for the first time remember, it's not on Memorex anymore; it's real." His point was that so many people often aspire to get into management because of the possibility for higher achievement, greater influence, and the opportunity to solve more difficult puzzles. Regardless of your motivations, once you cross that

threshold to formally leading a team and having responsibilities for individuals' career development, it becomes real. You will make mistakes that you cannot go back and erase.

I learned a number of significant lessons about motivating a large, diverse team as well as individual talent management during my first two years as a front line manager. I was actually younger than just about everybody on my team; the average tenure of the twenty-five employees was over twenty years at the same company. The humility lesson I learned by not receiving my initial promotion to a manager paid dividends in this role. Far from being overconfident, I had to learn how to build trust with the team even though I did not fully understand the technical details of their day-to-day work.

It was common for some of my employees to bring examples of programming code—written in hexadecimal and binary languages—to our status meetings to explain a problem they were trying to solve. While I could keep up with, and rather enjoyed, the logic of what they were trying to figure out, they could have been showing me their grocery list written in hexadecimal as far as I knew. Although I lacked the Rosetta Stone to translate their computer code into a language I could read, I developed an immense appreciation for the sense of craftsmanship with which these engineers approached their work. A couple of my team members were actually sought out by IBM at the time to write questions for, and review, technical assessments being developed to administer proctored tests for various certifications.

As I mentioned above, this was a highly-tenured team, and many members had worked for this company for most of their career. A common trait among them was an apprenticeship-like beginning to their career; they had each started out learning elementary programming and computing skills by performing low-level, basic tasks under the supervision of an experienced technician. Over the course of several years, they grew into experienced craftsmen who became

mentors to the following generations of programmers and technical leaders at their company. Sharing their vast experiences with newer engineers was highly motiving for the senior engineers. They embodied and regularly practiced Brown and Duguid's collaborative problem solving, storytelling, and improvisational modes of developing "know how" (2000). This practice took trust on the part of new interns and generosity on the part of senior engineers. Over time, engineers acclimated to the cultural nuisances and social context of the company while learning the importance of working "on the ground" and side-by-side in these technical apprenticeships.

During this time, I also returned to school and earned my Masters of Business Administration Degree and began considering the possibility of leaving the company where I got my start as a professional. The biggest cause for my wanderlust was a desire to solve different and more challenging puzzles. Ten years of solving technical problems in the insurance and financial services domain had become a bit stale to me. The leadership and problem solving itself was still engaging, but I felt detached from the actual business of insurance and financial services and was ready for a change. I still think about this team now almost ten years later, and reflected often about them as the outsourcing strategy unfolded in this research—albeit at a different company.

My early manager roles at Icarus provided opportunities to lead teams through different changes and transitions. I experienced what it was like to start up a new team; I also experienced dissolving and decentralizing a team. My approach to leadership at the time translated each of these assignments as necessary for me, personally, to progress to the next level; I thought that they would give me good stories to use as I interviewed for more senior leadership positions. In fact, I did leverage these assignments this way. They served as rites of passage I needed to go

through in order to gain credibility and earn the sponsorship of senior executives who could support me for more advanced roles.

Throughout my various manager roles at Icarus, my leadership and mentors provided me with numerous experiences to prepare and present materials to the CIO and vice presidents at their staff meetings. The biggest of these "probationary crucibles," as Jackall (2010) described them, was leading a large outsourcing project at Icarus known as Project Phoenix. I describe the project in greater detail in the next chapter, but in terms of my moral career, Project Phoenix helped me to find my voice among the senior executives. I learned the unstated yet iron-clad style and presentation edicts around how PowerPoint slide decks should look there, how to socialize the material with the right executives in advance, and most importantly, when to speak and when to refrain during these probationary moments in my moral career. I learned the importance of taking "partners" at Icarus. I also learned the difference between meeting individually or in a small group with executives versus interacting with them in a larger staff meeting. Most importantly, I learned the power and safety of saying, "we will need to take that offline and come back to you," when getting stuck in a presentation. All of these elements are the building blocks of the overall Icarus habitus discussed in the following chapter.

Early executive phase. I progressed through a number of assignments and roles during my first four or five years at Icarus. The most significant events in terms of my moral career were beginning, and now completing, my Doctorate Degree and my promotion to my current role as the director of IT Vendor Management roughly two years ago. This was my first role as what I would describe as an executive. My job is as much about working across my peers and with the most senior executives of the corporation as it is about setting direction for my immediate team.

While there is certainly a higher degree of organizational politics inherent in the executive relationships I manage in this role, the biggest change for me has been the altered dynamics of interacting with my team. One of the more interesting pieces of advice I received while transitioning into my present role was understanding how my "whisper becomes a roar." In this role, I have felt a shift to constantly being "on stage" in front of my team and others. What I may intend to be a casual comment in a moment of thinking out loud can become magnified and interpreted as high strategy or urgent directive as it ripples across my team. Additionally, I recognize where I am now providing similar leadership opportunities, or probationary crucibles, to my staff, much like those provided to me, in order to position them for future opportunities. Outside of my immediate team, I also mentor or sponsor a number of more junior managers to help them develop in their careers. I help them navigate political waters and learn the accepted ways of presenting and socializing materials with senior executives. Throughout the course of this research, I also recognized that I have been essentially teaching and reinforcing the Icarus habitus, or mental models, discussed in the next chapter.

The outsourcing strategy explored in this research is a good example of the type of puzzle that senior executives asked my team and myself to solve. Outsourcing an entire function of the IT organization was a dramatic shift from Icarus's traditional staff augmentation approach to vendor staffing. It also followed the larger IT outsourcing drift toward more end-to-end outsourcing, which is one of the elements that attracted me to this phenomenon as a dissertation topic. I was involved with the strategy during its early phases, and individuals from my team led the work to source and negotiate the vendor contract, which have been challenging puzzles in their own right. Even more engaging was the opportunity to be a participant observer with insider access to the how the strategy unfolded across internal teams and with the vendor. A still

deeper interest for me has been to give equal voice to both the employees and executives who participated in this research. I have aimed to listen to all sides and develop a balanced and grounded theory of why the outsourcing strategy unfolded as it did. I also recognize my own role in how the strategy unfolded. This includes my blended perspectives as: (1) a former computer programmer with an affinity for the craftsmanship aspects of that profession, (2) a relatively new executive still learning my role throughout this research, and (3) a doctoral candidate and researcher with academic responsibilities.

Information Technology at Twenty-First Century Icarus

Icarus is a Fortune 1000 firm headquartered in the United States. The firm sells products and services predominantly in the United States, with plans for international expansion in future years. Icarus has global sourcing offices in multiple countries that procure raw production materials and a headquarters extension facility in India focused predominately on Information Technology operations.

At the time of this study, the IT department was one of the firm's largest headquarters teams, with two thousand five hundred employees in the United States and one thousand five hundred employees working at its India offices. Additionally, almost six thousand contractors worked for Icarus's IT department. Approximately half of the contractors worked in the U.S. and India headquarters locations. The other half of the contractors worked from their own offshore facilities primarily in India and Latin America. More than fifty different vendors supplied the nearly six thousand contractors, although the majority of these resources were from five preferred suppliers.

The Icarus business teams' view of IT. As mentioned at the outset of this research, Icarus and its peer companies in the retail field faced significant disruption over the last several

years, driven by technology and new business models. For Icarus's IT executives, this created an increasing tension between managing the costs and skills needed to maintain legacy, (tailored home-grown) systems and the need to invest in new technology packages. Consumers were demanding an increasingly frictionless experience. This in turn forced retailers to integrate once disparate systems (i.e. distribution, marketing, customer relationship management, point of sale, inventory) into an experience that appeared seamless to costumers in stores, online, and with mobile devices.

The collision the brave new world of twenty-first century retailing against legacy IT systems eroded Icarus business teams' tolerance for delayed gratification—if they ever had any—of their desire for new systems. Through the eyes of the Icarus business teams, the IT department took too long and spent too much to deliver new systems. The reality was probably somewhere between the business and IT departments' individual perceptions. Regardless of who was right; the business teams had a lack of confidence in the IT department's abilities.

Viewing IT as a sluggish, process-laden bureaucracy, many business teams formed mini-IT or "shadow" teams within their own departments to meet some of their specific demands. For its part, the IT department was bracing for a digital tsunami of sorts to transform legacy systems into cutting-edge platforms. Accordingly, IT executives implemented multiple strategies including reorganizations to improve their productivity and throughput. With pressure growing to implement new systems requiring skills not readily available among employees, executives relegated more technical work to contractors. Although these strategies yielded some initial success, executives likely overlooked the larger social context or what Brown and Duguid described as, "all the fuzzy stuff that lies around the edges" (2000, p. I). The compounding demands for speed, and executives' infocentric strategies of increased contractor usage and

organizational changes tipped the IT department's culture toward one of technology buyers and managers in contrast with their historical roles as builders and engineers.

IT engineers, especially those who had been with Icarus for a number of years, were proud of the legacy systems they had built. They also wrestled with the changing nature of their jobs, becoming engineers in title only. Instead of spending their days coding, testing, and building new applications, they coordinated project activities between contractors and business teams. Senior engineers were less likely to spend time mentoring newer engineers in technical apprenticeships, and employees and contractors rarely socialized with each other outside of formal work settings. Using Brown and Duguid's distinctions (2000), it became more important for senior engineers to educate contractors on bureaucratic "processes" than to guide these contractors in the "practice" of becoming craftsmen engineers. This shift toward a culture of IT buyers and managers also emphasized what one needed to do to get ahead at Icarus.

Getting ahead at Icarus. I fully discuss the Icarus culture in the next chapter, but as it pertains to career advancement, the ability to solve increasingly challenging problems was critical. Career-expanding problems were both highly visible and required consensus with one's peers and leadership. Executives with high aspirations vied for their next opportunity while also demonstrating a modest level of alignment with their peers' projects. Revealing too much public resistance to a peer might lead others to reciprocate with opposition to one's own projects. Therefore, most resistance among executives happened in the background and within small groups rather than in larger group meetings with the Chief Information Officer (CIO).

Because of the personal risks associated with being seen as somebody who directly challenges their peers too often, Icarus executives would publically act aligned with one another. Occasionally, they might display a token degree of questioning or nominal opposition; however,

these challenges had more to do with the style and brand elements of the Icarus culture than the basis of a critical argument. Executives' decision making is discussed in detail in Chapter Seven.

It was this type of cultural behavior that allowed executives to outsource all of the IT software development for what they should have considered to be one of their core or "differentiating" capabilities (Supply Chain) while facing a digital business disruption. Executives even had an exemplar of a competitor's failed outsourcing project—a mistake they vehemently vowed not to repeat. Although the exact scope varied between Icarus and its competitor's flawed outsourcing initiative, Icarus also failed. Rather than advancing their moral careers, many of the Icarus executives who sponsored the outsourcing project would go on to lose their jobs or resign.

CHAPTER FIVE

ICARUS INFORMATION TECHNOLOGY CULTURE AND ITS MANIFESTATION

Sensitivity to the Icarus organizational culture (in Bourdieu's terms, its habitus) is essential to this study's analysis. Therefore, this chapter begins by employing Bourdieu's (1972/1977) perspective on habitus to examine the collection of learned social practices and mental models that guided action and transmitted power among Icarus employees. Jackall's (2010) bureaucratic ethic, Goffman's moral career (1961), as well as Brown and Duguid's infocentrism (2000) are highly relevant to how work was accomplished at Icarus during the period covered in this research. This chapter also draws from Bourdieu's (1993) concept of field as the social arena and power structure based upon the capital individuals possess. The industry, or field, that Icarus is part of experienced significant technological disruption before, during, and after this research. The market forces in this field influenced executives throughout this study. Thus, it is critical to begin the analysis by adding the context of Icarus's field.

The power relationships among Icarus executives and their employees are a constant theme in this research. Bourdieu (1983/1986) posited that one's chance of success in any social practice is dependent upon actors' access to and deployment of their capital. Individuals used their varying economic, social, and cultural capital to support or resist SSP throughout the research. These concepts are used throughout this study, but are introduced in the analysis here along with Lincoln's (1989) concepts of taxonomies to understand the power implications of the IT department reorganizations that executives carried out during this research. The additional lens of Braverman's deskilling and technical labor commodification (1998) highlights the impacts of SSP on Icarus engineers.

The Icarus Habitus

At the time of this research, the Icarus culture was collaborative and replete with reinforcing discourse and rituals. Employees often used active phrases such as partnering, getting feedback, and socializing to describe workplace activities. The culture placed the burden on innovators to refine their ideas by socializing them, typically to culminate in a PowerPoint presentation (referred to as a "deck" by employees). This infocentric approach (Brown & Duguid, 2000) tended to focus disproportionately on communicating information and content, versus understanding the social context, value, and potential impacts of a new idea or project. The intention was to incorporate feedback into iterative "decks," and ultimately get decisions formally approved by a group of stakeholders who had often been given the chance to individually view the material in advance. If an idea struggled to stick or gain momentum, individuals received feedback on the opportunities their idea had and would be asked to refine and repeat the "socializing" process in order to gain the needed approvals.

One might also receive feedback on one's individual opportunities or about competencies they needed to improve upon if they wanted to be successful at Icarus. Other examples of feedback might stress opportunities to be more strategic, to communicate effectively, or to collaborate. On occasions when an individual unexpectedly left the organization, there was often speculation over which "opportunities" the former employee had been unable to overcome that led to their departure.

Status meetings and partners. Getting feedback and socializing ideas happened in group settings or in one-on-one meetings. One's boss, peers, subordinates, stakeholders, or mentors were generically referred to as a "partners." Generally thirty minutes long, these one-on-

one meetings with "partners" were commonly referred to as "statuses." Vendors too were commonly referred to as "partners" more so than "vendors" or "contractors."

At Icarus, one would partner with others as a form of collaboration to get things done, often in the form of a status. A status was also be used in its verb form, i.e., "Did you status with your boss last week?" Individuals met for a status in the office or in restaurants or cafes near Icarus facilities. The latter was knows as a coffee status. In any given week, it was not unreasonable to have five to ten (or more) statuses to give or receive feedback on ideas, strategies, or programs that were in various levels of progress or maturity.

Brand. Icarus had been known for, and prided itself on, its image or "brand." This focus on brand also translated to employees and their work output, which could be referred to as being "on brand" if they were successful. Being on brand could be a statement about one's style of dress—Icarus required formal business attire, and casual Fridays, at all headquarters locations. It was also considered to include the relative crispness of one's deck. Using a color palate relative to Icarus marketing material, and Arial, Calibri, or Helvetica fonts, which also thematically aligned with the company's marketing material, were additional ways one would "brand" one's decks.

Collaborating, statusing, partnering, socializing, being on brand, and being crisp in one's communication style were commonly recognized elements of the Icarus habitus. These were the generally accepted tools for moving ideas forward in the organization. Mastery of these tools was also a form of cultural capital. Two individuals could have the same or similar ideas, but the one who could package and present material in the most "brand" way would be viewed as more credible, and thus more powerful in the organization.

Stretch assignments. In addition to being on brand, Icarus employees and executives were under pressure to deliver results and operate at a very fast pace. Furthermore, grandiose, elegant solutions were rewarded over more prudent and restrained approaches to leadership. This created "an endless round of what might be called probationary crucibles" (Jackall, 2010, p. 43), or what were known as "stretch assignments" at Icarus. Employees and executives vied with their peers to get their next big chance and demonstrate their readiness to progress to the next organizational level. One earned a stretch based on ability to achieve results and potential for advancement.

Rising stars gained exposure to more senior executives through "stretch assignments," and established leaders gained loyalty and power by dispensing these favors to their followers. Successfully delivering a stretch assignment aided managers' ability to get acceptance and support from their peers to eventually promote their rising stars. Some managers worked with other leaders to get feedback on how well the employee performed during their stretch assignment, which could be damaging to the employee's career should they struggle with the stretch.

In many ways, providing employees with stretch assignments was how managers used their economic capital (i.e. their employees) to accomplish tasks. The added benefit was the manager could remain somewhat insulated from political harm should the employee fail. But if the employee succeeded, the manager increased personal capital through the loyalty owed by the employee or mentee toward their patron. Employees and executives who continued to demonstrate potential for advancement received progressively larger stretch assignments throughout their moral careers. Each stretch was viewed as a rite of passage to gain the relevant experiences to be accepted at the next layer of leadership.

Decision making. Employees and executives recognized the time tax—or burden—the Icarus collaborative culture added to the speed at which decisions were made. In order to understand executives' communication rituals, it is important to appreciate how employees and executives viewed the Icarus IT department's decision-making rituals, as these generally informed how executives shared information with employees. Employees specifically described the IT department's processes, bureaucracy, and consensus-driven culture as the "department of redundancy:"

> I'm kind of surprised at how long it takes to make a decision and how many people need
>
> to be pulled into that decision and impact that decision...[The IT Department is] not that
>
> different than other areas where everything's all decided before you have the big meeting
>
> to decide. Overlaying the bureaucracy and politics, you have the usual, "got to do this
>
> step, then this step, then this step," even though it seems like it's right out of the
>
> department of redundancy. (Employee, personal communication, December 21, 2012)

While decisions made at the employee levels were different in their scope than those made by executives, the decision-making pattern was similar. In an almost passive-aggressive and risk-averse style, employees and executives scheduled the meeting-before-the-meeting, or "pre-meeting," to make decisions in order to avoid any surprises during the actual decision-making meeting that nevertheless followed. Below, one executive described the way individuals would passively agree with or acquiesce to a decision as it was being made, but continue "reserving the right to have an opinion as the work unfolds:"

> When I say passively, what I mean there is [the inherent likelihood that] the people that
>
> are not active in that work are reserving the right to have an opinion as the work unfolds.
>
> This is where the decision rights comes in because as the work unfolds, then we have this

emotional connection to the work, and as the people that were not involved in it start to

have an opinion about it, it's a little bit too late. There's almost this big "now or forever

hold your peace" moment that we tend to always go past in the very, very beginning.

(Executive, personal communication, August 29, 2013)

The socializing imperative (counter-intuitively) left decisions open to being revisited in the

future. It also provided a culturally acceptable way for executives to defer challenging their

peers' projects until they could find a more opportunistic window to challenge them. As Jackall

(2010) noted, leaders often demonstrate this type of "looking up and looking around" behavior

when faced with nonroutine or "gut" decision making. Rather than rock the boat, Icarus IT

executives would look around for social clues to determine if a project was turning out as their

boss had expected, or if new assessments of the situation were emerging. I focus specifically on

executives' decision making pertaining to SSP in subsequent chapters.

  Flawless execution. The Icarus culture valued new ideas while also being consensus-

driven. The culture insisted that individuals gain buy-in for their ideas in increments throughout

their projects. Icarus experienced significant growth for several years leading up to SSP's

genesis. Executives pointed to their consensus-driven approach as critical to Icarus's past

success: "We've been so consensus driven—our foundation of what we've done as a growth

company for so many years and our ability to execute during those growth years was a lot about

sharing and consensus" (Executive, personal communication, August 24, 2013). As the firm and

the IT department grew, this approach became more of a decision-making tax than growth

enabler. One executive described the perfectionism that was prevalent in the company:

  Some of it is the culture of what our current CEO and CIO set with us. The thinking of

  [the CEO is] all about flawless execution. "I want everyone to be onboard with it [any

change or new idea] and that we all better be behind it. The customer is always right.

Everything better be perfect." In order for everything to be perfect, everyone is constantly

challenging what else could you be doing better to make it perfect...Not that we are all

supposed to be yes-men, but we all better be aware of it...If you aren't ADHD before you

started working here, you soon will be. (Executive, personal communication, June 21,

2013)

This bureaucratic incrementalism toward perfection often delayed projects. Every step forward

needed to be reviewed by, and receive input from, multiple layers of management and

committees. Additionally, each subsequent level of management or committee needed to be able

to represent an excruciating level of detail to the next level upward. In turn, these reviewers felt

compelled to make some suggestions or requests for changes to the project—likely in an attempt

to show the value of a particular level of management review. The need to broadly socialize

ideas and make constant refinements based upon feedback caused some Icarus projects to drift so

far from their initial intent that they became irrelevant or unrecognizable from their original

scope.

      One team and outsourcing. In their public comments, executives encouraged all

employees to act as "one team." Furthermore, employees were referred to as "team members" as

opposed to "employees." Icarus's headquarters were spread across multiple facilities in a single

U.S. metropolitan area and a facility in India. Icarus also had offices for its Supply Chain across

the U.S. and other countries. Information Technology teams often worked across—or partnered

with— multiple IT functions in the U.S. and India as well as with partners in business functions.

When projects went well, teams were often credited with working as one team. "One-team"

posters and slogans were used by executives to encourage collaboration between groups, especially the geographically distant IT teams in the U.S. and India.

As previously mentioned, vendors were also referred to as "partners." However, as I will discuss later in this chapter, vendors did not possess the same social or cultural capital as employees. Additionally, it was considered taboo to openly discuss "outsourcing," which implied employee layoffs. The taboo was associated with, and reinforced, by one of Icarus's competitor's widely publicized outsourcing gaffe. That failed project culminated with the firm bringing much of the outsourced work back in-house at a sizable financial and employee morale cost.

Nevertheless, Icarus "partnered" with a lot of vendors. IT contractors actually outnumbered the number of IT employees. The difference in the Icarus habitus was that these contractors were used as staff augmentation (or "staff aug" in the Icarus parlance), not in the whole-scale outsourcing of an entire function. Icarus IT had operated in a predominantly staff augmentation model for software development since the mid-1990s.

Given the pace of demand for IT work, it was completely acceptable, and expected, to augment one's project team with contractors to increase capacity and the pace of output. Contractor engineers were temporarily embedded within project teams to fill specific roles (i.e., database administrator, computer programmer), and could be dismissed at the completion of a project or retained and assigned to other initiatives. As with many Fortune 1000 firms with large IT operations, the staff-augmentation approach provided Icarus a means to temper or hold employee-staffing levels flat by smoothing supply-and-demand needs with temporary labor.

Despite the growing volume of Icarus's shadow workforce of IT contractors, employees and executives did not associate the de facto "staff aug" strategy with the "negative" aspects of

outsourcing such as job loss or their competitor's public blunder. Talking about "outsourcing" was taboo, but growing a bigger labor force of "staff aug" "partners" was completely acceptable and the norm as additional contractors could be added (and removed) relatively easily.

Project Phoenix

TechStaff was an India-based Information Technology (IT) services firm that began working with Icarus more than a decade before SSP. In that time, it had grown annual revenues with Icarus from a few million to over seventy-million dollars. Two years prior to the start of SSP, the CIO and IT executives attempted to implement a quasi-managed services agreement with TechStaff given a constant demand by Icarus's business teams to accomplish more IT work at a faster pace. The initial scope of this project, known as "Project Phoenix" was to move larger IT functions to TechStaff as potential managed services. In return, TechStaff would charge Icarus lower hourly rates given the increased volume of business.

Along with members of my team, I lead the contracting and negotiation aspects of this project, and as I mentioned in Chapter Four, Project Phoenix was an important "stretch assignment" or probationary crucible in my moral career. However, the effort quickly devolved into a large-scale "staff aug" staffing model, as there was scant support among executives at that time to enter into an outright outsourcing relationship. Contractors were subservient to employees in the Icarus IT culture, which made it likely they would be treated as patsies and blamed when things go wrong. Employees and executives came to view TechStaff (not Icarus) as "not being ready" to work in a managed services relationship. Thus, Project Phoenix became an exemplar of how executives were "maturing" their relationships with vendors. Additionally, and even more importantly, it was not a complete failure. Put differently, it did not force Icarus IT executives to dramatically and publicly change directions.

There were no direct impacts to employees in terms of losing jobs or being moved to new assignments as a result of Project Phoenix, which became known as a "preferred partnership" (not "outsourcing"). TechStaff was seen as the go-to vendor for much of Icarus's IT work, and the Project Phoenix "preferred partnership" became a significant part of the Icarus habitus. By the conclusion of this research, TechStaff had tripled its annual revenue from Icarus to over two-hundred-million dollars, or over one-sixth of the annual Icarus IT budget. TechStaff was eventually considered for the SSP contract and competed directly against ComTech for the business. However, despite its "preferred partnership" status, TechStaff did not earn the SSP contract. The specific reasons TechStaff was not selected are confidential aspects of the sourcing process and not directly relevant to this study. Nevertheless, the decision does highlight IT executives' infocentric approach to SSP a la Brown and Duguid (2000). Executives knew that Phoenix was not working as intended, but never examined what was happening in the "fuzziness" of the habitus that prevented it from succeeding. Instead, they approached SSP as if adding "bells and whistles" to the Project Phoenix approach would make SSP a success.

Project Phoenix was Icarus executives' first fumbling attempt at a managed services agreement. It never moved past a "staff aug" arrangement, but its massive scale served to gradually condition employees to the changing nature of IT work at Icarus, even if it was not referred to in name as "outsourcing." Over time, many IT employees spent more time working with vendors in governance and oversight capacities as opposed to technical roles.

Project Phoenix institutionalized the "staff aug" model for the Icarus IT department, and executives remained adamant that they would never repeat the failed outsourcing project of one of their competitors. They could not allow that type of fiasco happen at Icarus. With the cost of

failure so high, SSP would need an executive sponsor with the blind ambition to succeed if it were to have a chance to live up to the expectations of a large-scale managed services agreement.

Icarus Information Technology Department in the Phoenix Era

The year before Project Phoenix, and two years prior to launching the Strategic Staffing Program (SSP), the CIO and IT executives implemented a major department-wide reorganization. The reorganization, which took roughly one year to complete, revealed evidence of some jockeying for power and status among IT executives and transformed how IT employees worked across teams. Preceding this IT reorganization, executives laid off ten percent of Icarus' corporate employees, including over one hundred IT employees.

The IT organizational structure prior to its reorganization is shown below in Figure 5.1.
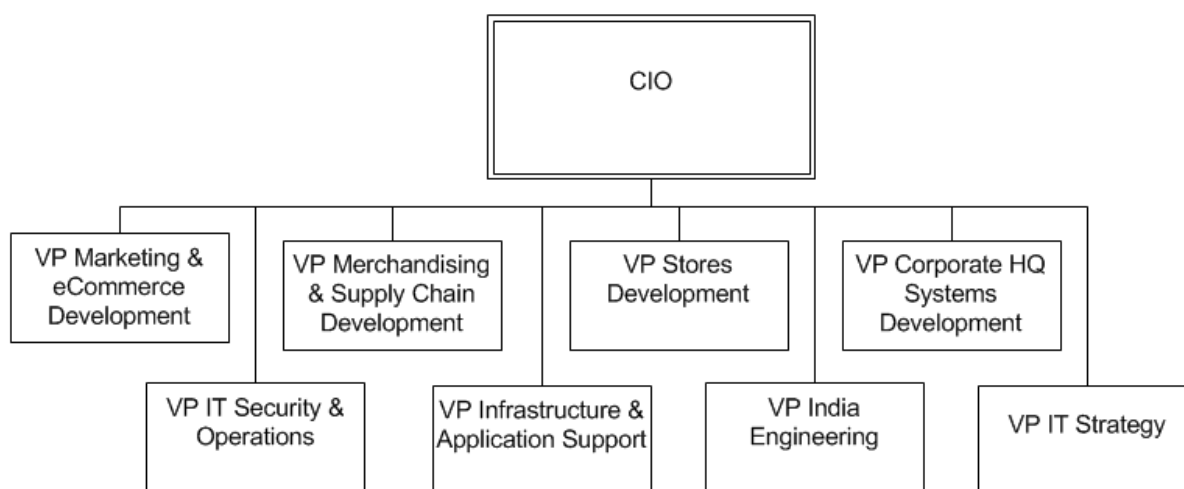
Figure 5.1. Phoenix Era Icarus IT Executive Organizational Chart - Pre-Reorganization

As suggested in the figure, all of the vice presidents reported directly to the CIO. However, those positions on the top row were generally viewed as the more prestigious or powerful positions. The Marketing and eCommerce, Supply Chain and Merchandising, Stores, and Corporate Headquarters (HQ) Systems team each aligned with and supported business functions outside of the IT team. The bottom row positions supported the more IT-centric (and less status-

laden) functions such as IT Security and Operations, Infrastructure and Application Support, India Engineering, and IT Strategy. The four software development functions in the top row essentially operated as independent businesses. Each competed with the others for budget dollars and resources from the bottom-row groups. Still, all of these functions were led by a vice president, each of whom reported directly to the CIO.

Prior to the reorganization, the "top-row" software development teams had been a prestigious place to work. Executives rewarded technical architects, engineers, project managers, and business analysts for their ability to manage projects and quickly implement solutions to business requirements. Cost management was secondary to the speed at which IT implemented new applications and infrastructure (i.e. servers, data storage, and networks) during this time of high business growth.

The reorganized IT structure is depicted below in Figure 5.2. The CIO made three
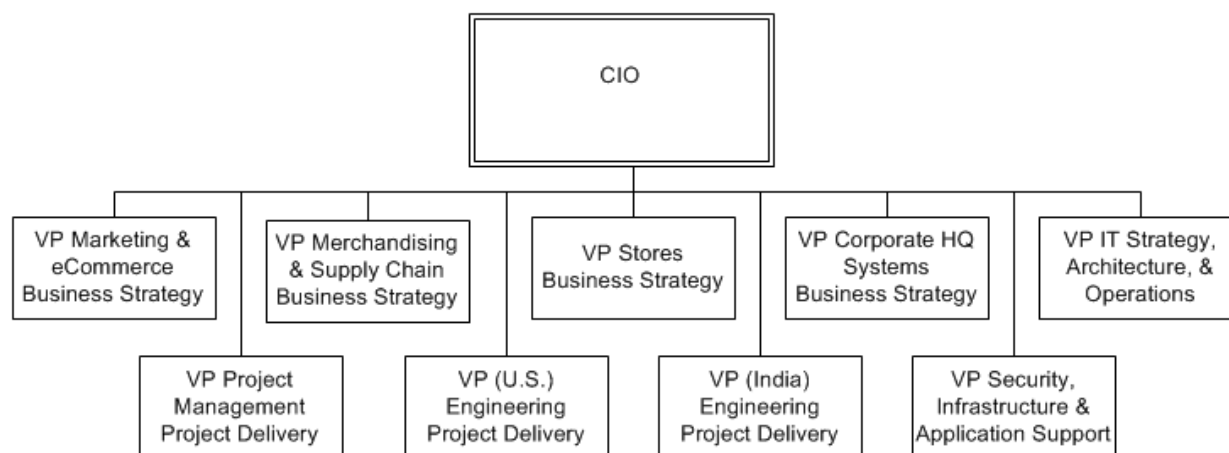
Figure 5.2. Phoenix Era Icarus IT Executive Organizational Chart - Post-Reorganization

significant shifts in the operating model and thus the organization's power structure. The first and most obvious shift was the division of the former "top-row" teams into Business Strategy

Teams (BST) and Project Delivery Teams (PDT).[1] The newly created Business Strategy Teams acted as the primary liaison with business teams and owned the majority of the software development budget. They established application development priorities, roadmaps, and financial analysis to support the corresponding business units they continued to support, and thus remained "top-row" teams.

The Project Delivery Teams were comprised of a U.S. based project management team and engineering teams in both the U.S. and India for specific technologies or functions (i.e. Application Testing, Mainframe, and SAP). In contrast with the Business Strategy Teams, the Project Delivery Teams had fewer direct interactions with the business units, and primarily worked across the other IT teams to perform project management and engineering work for existing and new applications. Additionally, most of the "staff aug" contractors from TechStaff and other vendors remained down in the new Project Delivery Teams with very few representatives up in the Business Strategy Teams.

Said differently, the first shift of the IT reorganization created a ritualized schism (Lincoln, 1989), in which the former teams performing "end-to-end" software development were separated into teams of "thinkers" and "doers." Although the vice presidents for each of these units still reported to the CIO, the new categories of Business Strategy and Project Delivery Teams formally connoted the two organizational tiers in a new way.

The second shift of the reorganization was the consolidation of the most senior technical architects from the former "top-row" teams into the former IT Strategy team, which became a

---

[1] Business Analysts from the former top-row teams of: Marketing and eCommerce, Supply Chain and Merchandising, Stores, and Corporate Headquarters (see p. 73) remained "up" in the new top-row Business Strategy teams (see p. 74). Project Managers and Engineers from these former top-row teams moved "down" into the new bottom-row Project Delivery teams (see p. 74).

new "top-row" team—IT Strategy, Architecture, and Operations.[2] The third, and least obvious,

shift included breaking up the former Security and IT Operations team.[3] The security employees

were combined into the new IT Security, Infrastructure, and Application Support team. My

Vendor Management team, which had previously been in the IT Security and Operations group

moved to the new IT Strategy, Architecture, and Operations Team.

Icarus Information Technology Department Taxonomy during the Phoenix Era

Lincoln's (1989) concept of social taxonomies is relevant to all of the subsequent

analysis in the upcoming data chapters. The IT department taxonomy (see Figure 5.3 below)
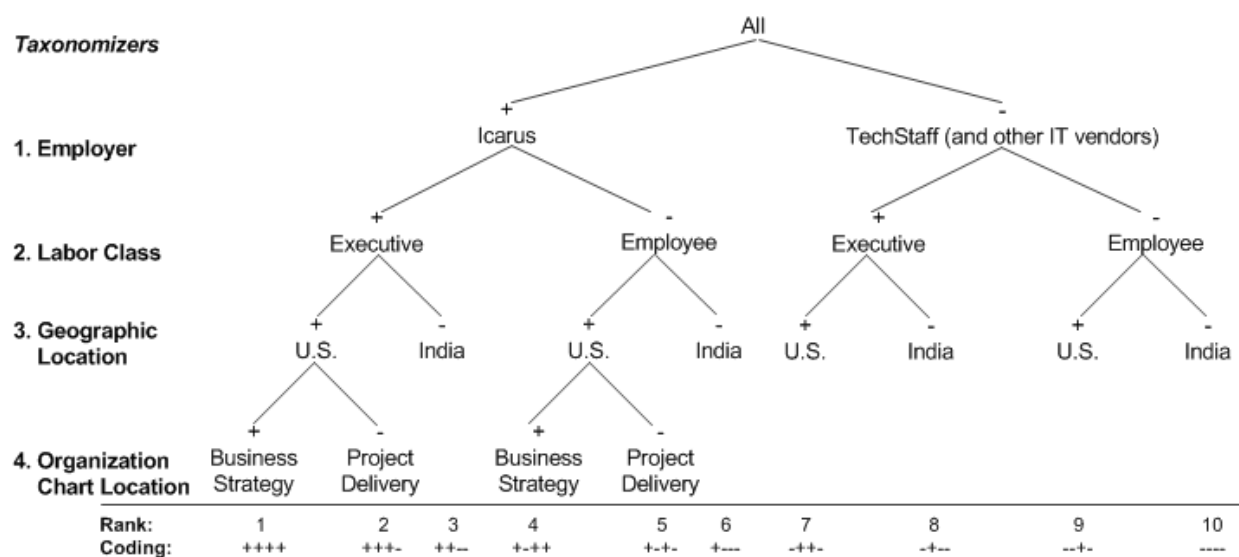
Figure 5.3. Icarus Information Technology Department Taxonomy

is another key element of the Icarus IT department's habitus. Although the upper elements of the

taxonomy existed pre-reorganization (see Figure 5.1), the reorganization event during the

---

[2] Technical Architects from the former top-row teams of: Marketing and eCommerce, Supply Chain and Merchandising, Stores, and Corporate Headquarters (see p. 73) were consolidated into one team and remained "up" in the new top-row IT Strategy, Architecture, and Operations Team (see p. 74).

[3] Security Analysts from the former bottom-row IT Security & Operations team (see p. 73) remained in the bottom-row and were consolidated in the new bottom-row Security, Infrastructure & Application Support team (see p. 74). Additionally, my Vendor Management Team moved from the former bottom-row IT Security & Operations team (see p. 73) "up" in the new top-row IT Strategy, Architecture, and Operations team (see p. 74).

Phoenix Era created the Architecture and Business Strategy versus Project Delivery strata (see Figure 5.2), which significantly influenced SSP throughout all of its phases.

The Employer, Labor Class, Geographic Location, and Organization Chart Location taxonomizers (see Figure 5.3) were each highly visible demarcations in their own right. However, the employees, executives, and vendors I interacted with in my years at Icarus did not articulate an awareness of the overall taxonomy itself. Said differently, from the perspective of Brown and Duguid's infocentrism (2000), the taxonomy was social context and history that existed among "all of the fuzzy stuff that lies around the edges," (p. I.) of surface information like the individual taxonomizers.

The employer taxonomizer—red badges versus black badges. TechStaff and other contractors working in Icarus facilities either shared cubes or had cubicles half the size of employee cubicles. They also received different colored identification badges than employees. In most cases, IT contractor cubes were consolidated on separate floors in the building with few or no employees. Most Icarus employees interviewed viewed themselves as superior to vendors and more valuable to Icarus: "You definitely see the fairly high level of risk aversion that we have in our company. You also see the 'we-must-own-it-here' mentally that we have in our company. We do things better than everyone else" (Executive, personal communication, August 1, 2013). Another executive explained these dynamics during the Phoenix Era:

> If it doesn't go right, we are going to blame them [TechStaff and other IT vendors] for it. It's not going to be, "What could we have done differently," is going to be "[the vendor] is screwing up." [Nobody will say], "Well, Icarus needs to do this," it is going to be "[the vendor] is screwing up." (Executive, personal communication, June 21, 2013)

Given the flawless-execution element of the Icarus habitus, it was not surprising that TechStaff

or any vendor would receive the blame—accurately or not—for any performance blemishes.

Employees' general discourse relating to vendors also revealed this us-against-them mentality at

times. Employees and executives often referred to one's identification badge color as a verbal

and visible signifier of the "employer" taxonomizer:

> We have discussions about red badge [Icarus], black badge [vendors]. [Will we] be able
>
> to break the dynamic of who that person is, or what we label them, the minute they fail
>
> as, "That's [TechStaff]." To me, that's going to be their biggest challenge; how to
>
> persevere? How do we provide them support to get through those [mistakes]? They
>
> happen whether you're red badge or black badge. I fear that we fall back to not allowing
>
> them to succeed because of who they are. It's Icarus, it's [U.S. location of Icarus
>
> headquarters]. We all have to look the same. We all have to talk the same and I think
>
> that's what challenges folks in general at Icarus, with change. (Executive, personal
>
> communication, August 9, 2013)

The Icarus taxonomy during the Phoenix Era placed all vendors at a disadvantage because

employees generally did not accept or treat a "black badge" the same as a "red badge."

Furthermore, since the taxonomy existed in the cultural margins or "fuzzy stuff" of the IT

department's habitus, executives and employees rarely looked past the (highly subjective)

surface information that a "black badge" engineer did not perform as well as an employee. This

executive accurately foreshadowed the risk for all vendors that would linger in the years ahead

for SSP. Executives would go on to enter into a managed services agreement with ComTech, but

in order for SSP to be successful, Icarus employees and executives needed to treat ComTech

contractors as quasi-employees, albeit employees who wear different color badges. Like addicts

who know they are sick but rationalize their continued self-destructive behavior, the Icarus habitus would prove stronger than any Icarus executive's will.

Employees viewed vendors as focused on serving their interests first over the needs of Icarus. To these employees, no vendor could ever do as good a job as they could. Some employees were genuinely antagonistic and remained ready to catch vendors doing something wrong:

They're [vendors are] not part of the company and therefore, if something goes wrong, they'll always look to protect their interests. So that is always a risk. And I know it's true, because I have a consulting background, and we're always trying to do just the right amount of work. So going over and beyond, above and beyond, may not work all the time. (Employee, personal communication, January 7, 2013)

Another employee added:

I'll be honest, nobody can represent [Icarus] business customers like I can. If you're bringing in an outside vendor that doesn't have the Icarus attachment, it's just a body … that sounds negative on consultants and I don't mean it to be, but I have better ties to our customers because I work for Icarus. (Employee, personal communication, January 8, 2013)

As previously discussed, TechStaff grew its annual revenue from Icarus from seventy-million to over two-hundred-million during the Phoenix Era. Despite that impressive reward, Employees' perceptions of themselves as superior to TechStaff and other vendors revealed the power of the IT taxonomy and the tendency for individuals to guard the social and cultural capital they possess. As Icarus IT executives increasingly relied on their "staff aug" strategy to staff their recently reorganized IT department, employees had growing sense that their technical skills were

being eroded. Phoenix and later SSP never tapped into the motivations of employee engineers.

Unlike the apprenticeships I experienced and observed at my previous employer (see Chapter

Four) the Icarus engineers had little incentive to transition knowledge to newer, predominately

contractor, engineers. The habitus created taxonomic reasons for employee engineers to blame

earlier versions of themselves who wore different color identification badges.

          Labor class taxonomizer—having an office versus a cubicle. As mentioned in Chapter

Three, there were four reasons I used the "employee" and "executive" labels for interview

participants: McMaster's (2001) criticism of diffusion theory, interviewee confidentiality,

developing a narrative structure for this grounded theory, and labor class as a taxonomizer.

Regarding the latter, the primary taxonomical and physical distinction between labor classes at

Icarus was whether the individual had an office or a cubicle.

          All employees below directors sat in cubicles. Senior managers had larger cubicles than

Managers, who had larger cubicles than non-Manager employees, who had larger cubicles than

vendors. Directors and vice presidents each had private offices and an administrative assistant.

Administrative assistants generally had cubicles outside their director or vice president's office.

In many ways, an "admin," as they were called, managed others' access to their executive by

screening phone calls, emails, and meeting invitations, as well as controlling physical access to

the executive's office. A typical example of the latter would be knocking on the executive's

office door a couple minutes before the scheduled end of a meeting as a cue for the attendee to

wrap up. While gradations of power and authority existed between directors and vice presidents,

this group was considered the senior leadership team within the IT department and across Icarus.

          Being an executive also represented a form of embodied cultural capital as illustrated by

Bourdieu (1983/1986). Executive positions took time for individuals to achieve, the power of

these positions could not be readily transferred between individuals like economic power, and having an office versus a cubicle was a symbolic representation of executives' capital. Thus, my personal experiences and observations of the Icarus habitus supported considering the "executive" and "employee" labor classes as taxonomizers in addition to the initial reasons outlined in Chapter Three. As I did not interview any vendors for this study, I do not address the "executive" versus "employee" labor classes for the vendor element of the taxonomy.

Geographic location taxonomizer—U.S. versus India. The geographic location taxonomizer applied to both Icarus employees and TechStaff. The India-employee element of the taxonomy did not significantly factor into this study. However, I include a brief discussion here to highlight the general sentiments between Icarus's U.S. and India teams.

Icarus employees. Icarus's office in India had been operational for nearly ten years by the conclusion of this study. There were over 2,500 employees from multiple departments in the India office; however, the majority worked in the IT department. Perhaps because of an association between India and outsourcing, many U.S. employees and executives viewed the India employees as lower-skilled then their domestic peers:

> [The Icarus] India [team] is a big question mark...how do they fit? Do we go and really
>
> focus those resources on true commodity work and the strategic work goes to our partners
>
> [vendors]? In my mind, strategic always seems to tie to team [employees]. Why is
>
> strategic tied to team [when] our [India] team is, at best, average when it comes to IT
>
> development? ... [Why use] lower priced [India] team members, in some cases, whose
>
> throughput is not good because they're not deeply skilled? They're generalists. Let's get
>
> a generalist [India employee] Java programmer and have them focus on the most
>
> commodity job of stuff we have. Let's offload...the most cutting edge software [to a

vendor]. Let's have... [India employees] focused on the really simple, straightforward stuff. We've hired some pretty junior people and "freshers" [young Indian engineers recently graduated or fresh out of college]. It's not like we're hiring the masters grads from...whatever those schools are in India...our Ivy League equivalents. (Executive, personal communication, June 23, 2013)

In some ways, this executive appeared to place a higher value on Indian vendors over Icarus's India employees. As I will discuss in the next section, this did not necessarily mean that India vendors had more relative power in the taxonomy than employees. What these comments did highlight was the commodity view many U.S. executives held of the India employees.

Not unexpectedly, the India executives and employees opposed the notion that their sole purpose was to provide low-cost commodity work. Transferring work to India from the U.S. inherently generated defensiveness among the India team. At best, it carried a perception that the India team could only be counted on to perform "routine" work. At worst, it fueled rumors that Icarus would eventually sell its India division to a vendor:

We have an issue with [India]. They only want to work on the sexy things; they don't want to work on the more routine things. [The typical reaction from the India team is], "Why would I want to do this, you're shifting this to us, is this a predecessor to...giving it to a third party? Is this leading to where you're going to get rid of us from a captive [center], will [the U.S. headquarters] just sell us off?" So [transferring work from the U.S. to India] caused a lot of innuendos and underground rumors going on that we had to squash. (Executive, personal communication, March 20, 2013)

Despite its neo-colonial undertones, the nomenclature of the India office as a captive center was common at Icarus and the general IT field. The term was used to delineate between multinational

firms directly owning a subsidiary in India versus outsourcing to a third-party vendor. It was also my experience that at least once or twice a year, a rumor would circulate that Icarus was planning to sell its India office to a vendor.

Vendors. Not all vendors were created equal in the eyes of Icarus executives. They viewed Indian vendors, including their "preferred partner" TechStaff, as lacking strong leaders who could successfully interact with U.S. executives. Generally, Indian vendors had fewer senior leaders geographically located in the U.S. than did their domestic competitors. In the eyes of some Icarus IT executives, this inhibited their "thought leadership" and ability to work with autonomy:

> If you want me to go into these [Indian vendors], I [will] give you an earful. Here's the biggest risk, and this is the risk I have with any of the Indian firms. One is the thought leadership. There's only been a couple of firms over there that I have [seen] showing that they can exhibit any sort of thought leadership...their bread and butter is just cranking out stuff... The second issue you're going to have with [the Indian vendors] is their U.S. footprint. And this is where most of the Indian firms fall down.
>
> When you bring in an Accenture or [a U.S. centric firm like them], you're talking about program management, you're talking about people that are going to do account management, people that are going to bring in strong technical people to advise us on what our options are. ...An Indian firm has ten thousand people to draw upon, tops, in the U.S. A U.S. firm has hundreds of thousands. So as long as our [business] clients are sitting here and the decisions about where we want to go directionally...are sitting over here, those Indian firms are going to be at a disadvantage because so much of that key role . . . is so much about the relationship that if they can't draw upon the right number of

people to get the person with the right type of personality to mesh with us and our

business. They're going to be at a disadvantage. (Executive, personal communication,

March 20, 2013)

Interestingly, Icarus would later include a subset of the domestic vendors this executive

referenced to bid on the SSP project. They either declined to participate or were removed from

the bidding process based upon their proposals. The concern this executive articulated had more

to do with executive-level relationship management than with the technical abilities of most

TechStaff or other Indian laborers. Executives in the most powerful positions of the taxonomy

wanted to interact with leaders that they closely identified with. Although TechStaff benefited

financially as the IT department's "preferred partner," it was still viewed as a "second-tier"

group as an Indian vendor within the taxonomy.

Although Project Phoenix never delivered a full managed services model, IT executives

declared the project a mild success because it demonstrated how Icarus IT could "mature" its

relationship with vendors. In their eyes it was TechStaff, not Icarus, who was unprepared to

enter into a fully outsourced or managed services relationship. Said differently, executives

considered the hierarchical nature of Indian firms as a barrier to building the type of relationship

they desired, and many believed TechStaff (or any Indian vendor) would struggle to be anything

than an order taker:

All you're doing is just running into just "run, run, run," and the problem with that, as

you and I know, is they're [TechStaff workers are] real good about "running," [i.e. task

execution] but they're not [going] to look at how we do it better, unless you drive it.

They'll do exactly what you want, but figure out how to do what they want... [with] the

lowest cost structure...not necessarily the best way. Their culture, I mean, they're an

Indian culture, I mean, they are very hierarchical. The [Indian] firms are very, "you need to work your way up from the bottom up. Don't challenge authority, just execute."

Thought leadership isn't awarded [*sic*] until you get to the very, very top. And so as a result of that, what you run into is . . . people that just do it and drive, do it and drive, make it efficient, execute, execute, execute. And if you don't start rewarding thought leadership [until you get] to the top, you don't build it. And most of the people I run into, they're waiting for someone to tell them what to do, and then they'll go do it. (Executive, personal communication, March 20, 2013)

As discussed earlier in this chapter, IT executives had a historical staff augmentation relationship with TechStaff for over a decade prior to Project Phoenix. Icarus's de facto "staff aug" vendor strategy perpetuated a paternalistic view held by a number of executives. Not surprisingly, one executive accurately foreshadowed that the Icarus IT taxonomy would present a substantial barrier to any Indian vendor's success in a managed services relationship with Icarus:

Whatever we ask, they're going to do it. The problem with [TechStaff] is they're struggling across the board with leadership. My concern is . . . they've demonstrated they do not have the leadership to tap into. They just grew too fast over the last eighteen months, not just at Icarus [because of Project Phoenix] but worldwide. . . . so if you really want to get to an outsource arrangement, we can't manage them, but we're going to find that we have to step into managing them because they can't do it themselves yet, because they lack the leadership. (Executive, personal communication, March 20, 2013)

This executive's low perception of Indian vendor's leadership and relationship management abilities calls into question Project Phoenix's chances for success from its beginning. The IT

taxonomy did not support the general relationship requirements for a managed services agreement.

TechStaff certainly benefited from the "preferred partnership" as it tripled its revenue without the added governance or contractual risk of a managed services agreement. Because Project Phoenix was not an outright failure, executives cast it as a way for Icarus to "mature" its vendor staffing strategies. The project's non-failure and related "maturity" discourse would leave the door open for IT executives to pursue a managed services agreement again, albeit without adequate consideration of the habitus and taxonomy. However, the taxonomy would put any Indian vendor at a disadvantage in the future SSP program. Furthermore, all domestic vendors included in the future SSP bidding process would either decline to participate or were eliminated from consideration (for various reasons that remain confidential). As the executive's comments above revealed, there was growing sentiment that TechStaff "grew too fast" under Project Phoenix, which may have worked against its consideration for SSP. The combination of these factors eventually restricted the potential vendors for SSP to both an Indian firm and one that had little or limited experience with Icarus and its IT habitus.

Organization chart taxonomizer—architecture and business strategy versus project delivery. The metaphor of a software factory is an appropriate way to consider executives' desire for control and predictability of IT operations. It also defines employees' general experiences working under this power structure. Following the IT reorganization, executives focused on the speed and quality of the Project Delivery Teams' output. Much as one would plan and measure the separate workstations of a factory's assembly line, each Project Delivery Team specialized in a different phase of the software development process. As a result, workers became conditioned to focus primarily on their individual station's input, operations, and output

rather than on the efficiency of the entire process. As Braverman (1998) suggested happens with most skilled labor over time, Icarus executives separated "thinkers" and "planners" from the larger population of "doers" and "builders" whose purpose became maintaining a steady, predictable stream of output:

> I think predominantly [the IT reorganization] really was a huge step in terms of how we actually were developing our matrix organization. I think what I saw as a part of [the IT reorganization] was a segmenting of skill sets in terms of really organizing people around what they do best. What people do best in terms of IT delivery might be best [described as]...I don't want to call it farmed out, but essentially like segmented out...to a different organization, or maybe even competing organizations, [to] actually perform those functions. (Employee, personal interview, December 3, 2012)

For Icarus, the thinkers and planners could be centralized and local, away from the IT shop floor, while the doers and builders could be anywhere and isolated from the planners. There were always more doers and builders than thinkers and planners; therefore, executives emphasized the cost and work control activities on the former. It is a reasonable assumption that executives' expectations for the Project Delivery Teams was to rationalize and simplify as much work as possible while maintaining control with a minimal amount of overhead expense.

Employees generally claimed the new matrix-style organizational structure added additional overhead: "We spend more time trying to figure out who owns it [a problem or responsibility] or who needs to work on something versus [doing] the actual amount of work itself" (Engineer, personal interview, December 4, 2012). One employee described the pre- and post-reorganizations as the difference between working across a handful of "silos" to navigating thousands of "chimneys:"

Pre- [reorganization], you knew just the way things were run for quite a while. You knew

who your contacts were [in] the different areas. You knew your roles and responsibilities

were pretty clear…but it was an older way of thinking, so there wasn't a lot of flexibility

to move people in and out. Those are some of the negatives. The [reorganization] is, to

me, I describe it...as, "We went from a number of silos, half a dozen or more silos, to

about 3,000 chimneys." It's caused a bit of confusion because of all the different

chimneys. (Employee, personal interview, December 12, 2012)

This confusion or "chimney" navigation led to ambiguity over task ownership and was most

notable in the Project Delivery Teams. While the Business Strategy Teams maintained an

alignment with discrete lines of business, many of the engineering functions were treated more

like a software factory. In the previous model, engineers had experienced more static alignment

to specific software systems that they designed, built, and often supported. In the new model,

their responsibilities were divided into smaller areas of specialization and their assignments were

spread across multiple projects. Where they previously worked on a few projects from beginning

to end, the new structure required them to specialize on specific technologies or job functions. In

the new structure, they were treated like a commodity and used on demand for multiple projects.

Conceptually, executives believed this would lead to an optimized IT department. In hindsight,

some recognized the ineffectiveness of some elements of this operating model: "The downside is

we've gone to a much more matrix model, and we've gotten very inefficient in parts. We've got

a lack of clear accountability" (Executive, personal interview, March 3, 2013).

Employees saw a line being drawn between Business Strategy and Project Delivery

teams. The Business Strategy teams retained affinity with their business functions, owned the

budgets, and were seen as the area to work in to have the most influence within the IT

department. Conversely, the Project Delivery Teams were segmented, staffed predominately with TechStaff contractors, and perhaps seeded with lower-performing employees:

> At that point in time, we did not talk openly about outsourcing all of the [Project] Delivery pieces, but it was something that was pretty evident to me. That's where we [were] positioning ourselves [by] drawing a line of separation between Business Strategy and the rest of the [Project] Delivery with the intent that the Delivery pieces would then be given to a vendor in the years to come. (Employee, personal communication, October 8, 2012)

Employees also described the reorganization as creating a "separation of classes" and suggested that executives placed poorer-performing employees down in the Project Delivery Teams rather than up with the Business Strategy Teams:

> We started to see some subtle yet pretty obvious lines being drawn. Even people from a director and VP perspective [positioned] where they wanted to reside. In my opinion, what I started to see was kind of a separation of classes. They [IT executives] were pulling some of the, I don't want to say "top talent," but in many cases, some of the top talent in to Business [Strategy] areas. Those were the components that were going to be retained by Icarus . . . [with the] thought leadership being retained and positioned within Business [Strategy Teams], [and the] strong execution, "doers" if you will, being positioned within [Project] Delivery. From a director and VP perspective, people really wanted to be positioned within Business [Strategy Teams]. (Employee, personal communication, October 8, 2012)

Whether executives deliberately placed poorer talent down in the Project Delivery was not entirely apparent. What was evident to employees was reorganization was a type of schism ritual

a la Lincoln (1989) that separated the formerly integrated society. Furthermore, in their minds, the reorganization and specialization of duties within Project Delivery made those teams especially vulnerable to future outsourcing or "massacre" rituals.

Braverman's (1998) view of the commodification of skilled labor and the concentration of labor-process knowledge in managerial "planning roles" is applicable to employees' views of the IT reorganization. Employees would go on to connect SSP with their view of the IT reorganization as a segmentation of certain sets of skilled labor in the Project Delivery Teams. As one later put it, "I have to be honest. My initial reaction was probably one more of . . . well, is [SSP] what [the IT reorganization] was leading us to" (Employee, personal interview, December 3, 2012). Another employee recalled executives' communication at the time of the reorganization with suspicion:

> I think many [employees] have even been in denial. I think the communication that even
> came out when we went through our [IT reorganization] just short of three years ago was
> so anti this [outsourcing] message that it actually made you wonder—they're going to
> great lengths to say that we're not moving in this direction. It almost made you wonder,
> "Are we moving in this direction? Because you're [executives are] trying so hard to tell
> me that you're not." (Employee, personal interview, October 8, 2012)

Increasing the productivity of Icarus knowledge workers following the IT department reorganization had more to do with labor division and rationalization than with giving employees flexibility and the permission to think. Executives created a software factory of teams divided into groups focused on certain technologies or aspects of software development. As Braverman (1998) discussed, the commodification of skilled labor is a continuous phenomenon. Put differently, scientific management approaches to information technology do not bode well for

engineers. As the Phoenix Era was ending, executives would go on to create and play with a Global Staffing Model "ouija board" to suggest a rational and legitimized approach to outsourcing Project Delivery functions they deemed as "less differentiating."

The Twenty-First Century Retail Field as Experienced by Icarus' Information Technology Executives and Employees

As I introduced previously, the retailing field in the early twenty-first century experienced significant digital disruption. The increasingly frictionless ecosystem of high-speed Internet access, smart devices, information transparency, personalization, and flexible delivery options placed more power in consumers' hands than ever before. Icarus executives were fighting a war on two fronts. On one, they scrambled to maintain differentiation from their brick-and-mortar contemporaries. On the other, they struggled to catch up, stay current, or retain relevance within a field of new digital competitors whose business models assume no brick-and-mortar infrastructure.

Just as Icarus's identity with its customers was becoming muddled, so was the confidence of the departments across the entire corporation in the Information Technology (IT) department's abilities. The new landscape of retailing was forcing Icarus to integrate its once disparate systems into seamless costumer experiences in stores, online, and with mobile devices. IT executives wrestled with the competing priorities of managing the costs and skills needed to maintain legacy, home-grown systems and the need to invest in new technology packages. The compounding demands for speed led to increased contractor usage under Project Phoenix and the eventual IT reorganization. The IT department's culture tipped toward one of technology "buyers" and "managers" versus their historical role as "builders."

Executives' view of the Icarus information technology department. In addition to the cultural norms that shaped how work was performed at Icarus, the views of both executives and employees revealed deeper insights into the Icarus habitus and digital retail field. The IT department was subservient to Icarus's other departments. IT executives historically did what they were told versus having an equal voice among the C-Suite executives across the corporation, whose view of the IT department was that it was a bottleneck. At the time of this research, the CIO was actually a former business operations leader, not a technologist, who understandably focused the division's attention on speed and throughput over emerging priorities such as security in the brave new digital economy world.

IT executives did not view Icarus as a technology company. Rather, Icarus used technology to effectively market and sell goods and services as a top-flight retail goods provider. Whereas a firm in the technology field like Google, Apple, Microsoft, or even Amazon looked to develop new technology as a direct revenue channel, Icarus used technology within its large IT departments as an enabler for its core business. This had become the normative practice among other Fortune 1000 firms in the mass-merchandising field:

You have a couple camps [for a vision of IT at Icarus]. I won't use the middle camp. I'll use extremes. You have a camp where people grew up in garages developing software, kind of a Bill Gates, Steve Jobs group. They would tell you, "Never hire one contractor," and in fact when I go to Google and Apple and Adobe, and then any of these major software firms...I've been to them all, mostly the [big name ones]...they don't have one contractor. They don't even know [about outsourcing as a staffing option]...That's how they grew up. Even though they're big companies now, they grew up [in somebody's garage]. They're a technology company, so why would you bring in [IT contractors to do

engineering work]? …They're sitting next to all the big [technology universities], Berkley, Cal Tech, Stanford, you name it. All the talent is coming out of those schools, and they're all going to tech companies. Even though they're big, they operate like a startup. That's how they grew up.

The other extreme is large Fortune 50 companies, Fortune 100 companies. They're not tech companies. They struggle to attract and retain [talent]… when I say talent, I mean the best talent. The people who grew up in [Google, Apple, etc.] would shudder at the thought of [SSP]. [If] they come into a big company, and they start looking around [they would ask,] "Where's the technologists?" We're all a bunch of [technology generalists]. "Where [are] the deep technologists? Why do you have contractors? Team members should be doing that." Guess what, we're not Google or Apple. Do you want to really focus on being the technology organization? We can [say we want to] be the best in retail, but let's call bullshit on who we are and who we aren't. We're not a high-tech technology organization. (Executive, personal communication, July 23, 2013)

Given their self-distinction between being the IT department for a mass-merchandising firm versus a company in the technology field (i.e. Apple) that would "never" outsource its product development, it seemed rational for Icarus executives to view outsourcing as a legitimate staffing option. As with other firms outside the technology field, Icarus executives were focused on optimizing the efficiency and speed of their large IT department. Speed and efficiency were especially important to IT executives given the impatience of Icarus's business teams and the looming need to overhaul legacy systems to support the new realities of digital retailing.

Recall from Chapter One that firms like Icarus often optimized its IT departments by hiring employees and utilizing contractor labor to perform non-core work. Many of Icarus's

older, legacy applications were developed in-house, and a number of technology firms offered out-of-the-box solutions to these standard (or non-core) business practices (e.g. payroll processing and human resources). Despite the general edict to outsource non-core work, IT executives were prone to argue against outsourcing their particular function. Counter to the previous executive's assessment of the Icarus IT department as "not a high-tech organization," some in the IT group remained reluctant to outsource their work (beyond the de facto "staff aug" approach) and went to great lengths to justify their argument:

> I think really it's an Icarus issue, not just an IT issue, that there's so much transactional noncompetitive work that we don't outsource. My business partners haven't got [*sic*] onboard with [outsourcing] payroll. What Fortune [1000] company runs its own payroll department? [Furthermore] how many teams run so much of their own infrastructure and don't outsource more of that? Every business partner including ourselves pulls out all of their Gartner and their other data [explained below] to show that we're running it more cost effectively than any [vendor] could run for us, and running with higher level of service than they [vendors] can do for us. They don't get into, "Well, do you have a fully loaded cost with the real estate it takes and [the] amount of mindshare it takes to run those functions and the lack of ability to take those thousands of heads across Icarus and redeploy them?" (Executive, personal communication, September 10, 2013)

The Gartner data this executive referenced was from a cost study that organization had performed on Icarus's IT operations during this research. The study showed that Icarus's cost to run some functions (such as infrastructure) was less than other firms of a similar size. While executives would have preferred to free up capital assets and employees to work on new initiatives by outsourcing, they also argued it would be unwise to outsource functions Icarus was

able to run more cost effectively than others. The paradox only hinted at in this account of the proper approach to outsourcing is that while all executives agreed on the need to fully outsource non-core functions, they each tried to position their functions as either core to the organization or more efficiently run than a vendor could match.

Despite the debate and the obvious risks, an executive who successfully outsourced a reporting function stood to gain considerable organizational capital. This stretch assignment would be visible at all levels of the company and, if successful, would advance the moral career of those at the helm. While there appeared to be no one right outsourcing answer, IT executives did have a clear exemplar of what *not* to do. As previously mentioned, an Icarus competitor had outsourced significant portions of its IT operations only to bring much of that work back in-house after years of costly sub-par results. Icarus executives vowed not to repeat this folly.

To break the stalemate over which function(s) to outsource, IT executives would go on to develop a Global Staffing Model (GSM) for guiding outsourcing decisions (discussed fully in the next chapter). The GSM was an infocentric tool that largely ignored or discounted most other factors outside of the relative number of employees with certain IT skillsets. Particular quadrants of the two-by-two GSM grid represented work considered more or less outsourcable. In practice, the GSM was more of a ouija board. The GSM was heavily influenced by executives' decision-making behaviors of "looking up and looking around" (Jackall, 2010) within the Icarus habitus. It allowed executives with the biggest egos, or most aversion to risk, to influence movement of the GSM's Ouija planchette in directions most favorable to their personal agendas.

As noted earlier, Icarus experienced a period of high growth in the decades leading up to SSP. As such, the culture had been one of delivering projects fast—cost was often a secondary

factor. This pace of growth and past success contributed to a shared confidence in the Icarus habitus that "we can do it better than anybody else:"

> In the seventeen years [I have been at Icarus] we went from about three-hundred fifty people up to about ten thousand people [in the IT department]. We went from a small shop mentality to a very large shop with some of the same idiosyncrasies of a small shop. What I mean by that is, it still relies a lot on who do you know, and what you think or feel, versus process and procedures. We are slowly morphing out of our mentality of, "We can do it better than anyone else," to, "Wait a second, there's certain things that who cares if we can do it better, we shouldn't be doing it better." . . . [There is also] a strong loyalty to the area and items that you worked on versus loyalty to Icarus as a whole. (Executive, personal communication, March 20, 2013)

This "we can do it better than anybody else" belief contributed to the generally dismissive view many executives and employees held of vendors. Naturally, the Icarus habitus rendered much more cultural capital to employees than it did to vendors. This power imbalance would manifest itself throughout SSP and had significant impacts on it during its later phases. Although IT executives had not yet figured out a response to the digital disruption they faced, they had also not yet experienced a major crisis. Given their past accomplishments, and despite doubts from the business teams, the IT executives were confident in their ability to address the digital disruptions in retail, in part, with their outsourcing strategy.

Employees' view of the information technology department. IT engineers, especially those who had been with Icarus for a number of years, were proud of the legacy systems they had built. They also wrestled with the changing nature of their jobs—becoming engineers in title only. Instead of spending their days coding, testing, and building new applications, they

coordinated project activities between contractors and business teams. One engineer noted, "I do more technical leadership versus 'doing IT.' I mean, here, if you're a college grad, you're not going to be hands-on. At Icarus, you're not going to be hands-on for sure" (Employee, personal communication, October 19, 2012). Employees also recognized Icarus executives' focus on the core business of the company versus having a technology company focus:

> [IT executives] keep focusing on Icarus being a [retail] company, not an IT company...we're going to be even more focused on business processes. We're not developers any more, especially not here at headquarters in [the U.S.]. Hopefully, a new hire coming out of college is not looking to do actual coding work because they're not going to get that. (Employee, personal communication, October 17, 2012)

The self-identification of "we're not developers any more" indicated that seasoned IT professionals experienced a diminished sense of craftsmanship by being less hands-on when compared to their earlier technical and engineering jobs. Nevertheless, experienced engineers resigned themselves to, if not accepted, the shift toward a culture of IT buyers and managers given Icarus's locus outside of the technology field.

Conversely, new IT employees were more malleable to the changing nature of corporate IT work. In the emerging pattern, domestic employees managed (predominately Indian) staff augmentation contractors rather than performing the direct, hands-on technical tasks themselves—a process that had transformed their predecessors from interns into craftsmen over their careers:

> With the evolvement of IT over the last thirty years, there's [*sic*] so many more solutions on the market so why should Icarus be a developer, or think that [it is] an excellent developer of solutions when there are solutions on the market? ...That has affected me as

an engineer because I'm kind of retooling, so to speak. I'm almost more of a [Project

Manager]...leading development efforts or...just leading the technical aspects of

deliverables for a project. It's been a little bit different for me, at least having been a

developer really, more often than not most of my life. (Employee, personal

communication, October 17, 2012)

The significance of this engineer's perspective is that it reflects Icarus IT workers' growing sense

of key IT professionals' generational loss of collective memory. As Braverman suggested would

happen over time skilled labor becomes commoditized (1998), new IT engineers were being

brought into the system and taking the new organizational direction as a given. As this veteran

engineer noted, one's technical skills were basically degraded over time as one advanced into

planning roles that merely consolidated labor previously done by other workers. Meanwhile,

from the perspective of hardened Icarus engineers, IT contractors' development as budding IT

engineers was technically irrelevant. Put differently, the old-timers considered contractors more

as mercenaries than as apprentices.

Like IT workers at other large firms outside the technical field of information processing

per se, this trend stemmed from the fact that a number of these employees had built many of the

legacy applications that were still used for functions now considered non-core, given the

commercial availability of other enterprise software packages. One employee recalled this trend

and the differences of IT work compared with a decade earlier:

I haven't actually been able to write any code at Icarus probably now for twelve to

thirteen years. (Laughs) Something like that. Writing code is instant gratification, "What

compiled? That's good!" (Laughing) Or I ran a task that worked, or I figured out how to

solve the sticky little problem and that worked. Now the gratification, or the things that

are done, [are] a little more diffused. (Employee, personal communication, December 26,

2012)

Some employees found they needed to adjust to jobs they realized were increasingly unattractive.

The Icarus habitus considered IT outsourcing contracts as an objectified form of cultural capital

to control the IT labor process. Knowledge was becoming concentrated within specialized roles

(i.e. coordination and contract management versus engineering) that required a different type of

embodied capital to accomplish work at Icarus. IT workers must accumulate knowledge to use

contracts as a governance tool over vendor workers as opposed to building their own engineer

skills. Should this trend continue, Icarus may be left with the task of incenting employees to

transition to contact management roles that the veteran engineers view as less attractive than

their previous engineering (or business analysis) roles.

The Principal Actors of the Strategic Staffing Program

The principal actors in this research included two of the Information Technology (IT)

vice presidents—Richard and Brenda. Figure 5.4 shows their locations in the IT executive
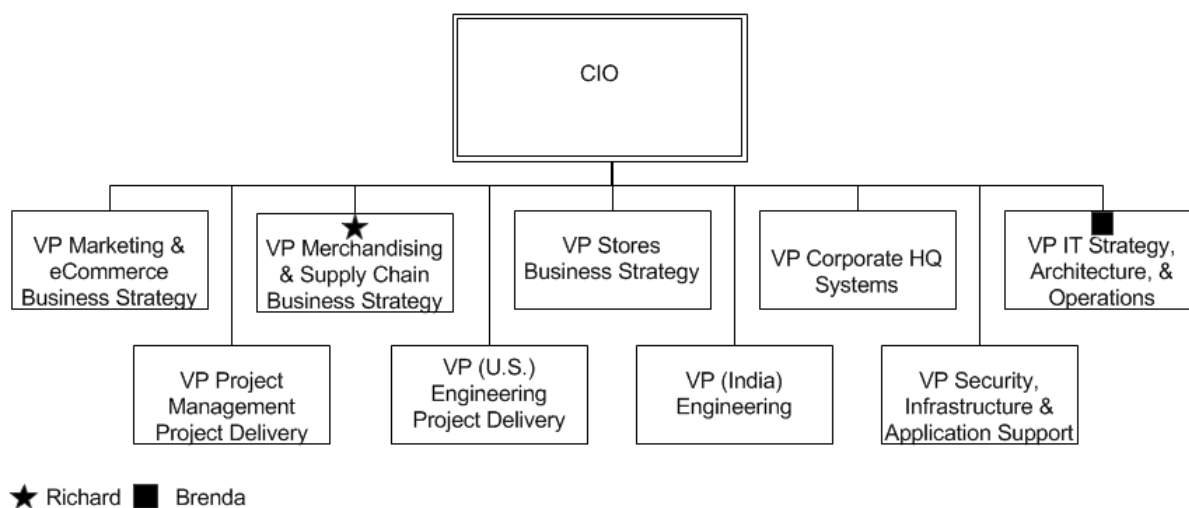
Figure 5.4. Phoenix Era Icarus IT Executive Organizational Chart - Post-Reorganization with
Principal Actors

organizational chart following the department reorganization. Richard was the vice president of the Merchandising and Supply Chain Business Strategy Team and the executive sponsor for the SSP initiative. Brenda was the vice president of the Technology Architecture and Operations team and was the strongest opponent of the SSP strategy. Both Richard and Brenda reported to Jack, the Chief Information Officer (CIO).

Despite his inherently introverted character, Richard was the type of leader who always wanted to be considered a mover and shaker. He had a long and successful career at Icarus leading Merchandising and Supply Chain software development, and had developed a reputation for achieving results; he was also widely known for his penchant and ability to get involved in the minutiae of his teams' projects.

Brenda joined Icarus approximately four years before the start of SSP as a director for IT Strategy; she was quickly promoted to vice president of that function. In many ways, Brenda was brought into Icarus to help develop IT strategies to navigate the digital disruption the company would face. Brenda's initial strategy team ("IT Strategy" in Figure 5.1) was a relatively small function but earned a positive reputation as focusing on concretely useful trends and planning. Her responsibilities grew significantly under the IT department reorganization, placing her effectively alongside Richard in the "top row" positions. Actually, Brenda played a key role in shaping the reorganization. It gave her group the responsibility for all technology architecture and governance functions. This greatly increased Brenda's cultural capital, as all development initiatives were required to have their architecture approved by this group before they received project funding.

Chapter Summary

The purpose of this chapter has been to orient the reader to Icarus's underlying IT organizational structure predating the Strategic Staffing Program (SSP) and to expose some of the Icarus IT habitus. This prologue can also serve as a reference the reader may find beneficial to refer to throughout the remainder of this paper. For further reference, Appendices C, D, and E list and describe the key terms, organizational roles, and actors respectively for this study. Many of the elements of the Icarus habitus discussed at the beginning of this chapter (i.e. socializing, partnering, collaborating, status meetings, one team, brand, stretch assignments, opportunities, feedback, and flawless execution) were visible characteristics. Much like the portion of an iceberg visible above the waterline, these components were readily discussed and generally acknowledged by most employees and executives as the way things worked at Icarus.

Other elements of the habitus were less visible and only occasionally discussed. Following the iceberg metaphor, these components were akin to an awareness that some portion of the iceberg existed below the waterline. These factors included the general Icarus belief of, "We can do it better than anybody else," engineers' sense of, "We're not developers anymore," and the realization of a separation of thinkers-and-planners versus doers-and-builders in the IT department post-reorganization.

Deeper below the waterline, a shadow or darker side of the habitus resembled ignorance toward the enormity of the iceberg beneath the waterline. The taxonomy, Global Staffing Model, and elements discussed in the following chapters remained hidden deep beneath the waterline to most employees and executives.

At its beginning, many executives viewed SSP as a natural progression from the IT department's Project Phoenix and reorganized structure. In Chapters Six, Seven, and Eight, I

present the data and analysis on how and why SSP unfolded as it did. In Chapter Six, I discuss

how the Global Staffing Model was a ouija board strategy that contributed to the genesis of the

SSP. I also discuss how SSP represented Richard's big chance or ultimate "stretch assignment."

In Chapter Seven, I explore executive's culture and rituals that contributed to their protracted

decision making and ineffective communication of SSP with their employees. In Chapter Eight, I

discuss the anomalies that created challenges during the program's later phases and analyze the

impacts power and dueling moral careers had on SSP, Icarus's IT employees and executives, and

the SSP vendor ComTech.

The analysis throughout the next three chapters does not adhere to a strict historical

discussion. Rather, the assumptive paradigms, communication and decision-making rituals that

affected SSP overall become the focus. As in a painting in which different elements occupy the

foreground, others of importance lurk in the background at any given locus of perspective. Still,

all of these components played a role in the story of the SSP initiative.

CHAPTER SIX

BIRTH OF A NEW PARADIGM?

As with other traditional retailers, Icarus's growth, market share, and continued relevance relied on turning Mobile, eCommerce, and Business Intelligence technologies into sales-generating software. Firms ranging from new startups to Amazon had influenced customers' traditional big-box, brick-and-mortar shopping patterns with smart phones, tablets, and online channels. Customers were shifting away from walking into a physical Icarus location and toward mobile and online shopping experiences. In response, Icarus executives awakened to the need to invest in and compete with new and different types of technology. This resulted in an anticipated increase in IT work along two fronts. First, executives expected increased work to upgrade legacy systems from homegrown to commercial packages that would interface with newer technologies. Secondly, IT executives anticipated increased work as Icarus initiated new projects with heavy technology needs to respond to the competitive headwinds it faced. Icarus executives and employees did not articulate, or perhaps even fully recognize, the new conditions affecting their field as a threat to their previous paradigm in Kuhn's (2012) sense. Rather, the Phoenix Era Icarus habitus influenced their response to these competitive threats as if Icarus were in a growth paradigm that would require even more of the same IT functions that had been in place.

The analysis in this chapter relies heavily on Kuhn's (2012) model for scientific paradigms, and is further supplemented by Jackall's bureaucratic ethic (2012), Brown and Duguid's infocentrism (2000), and Bourdieu's concepts of field (1993), habitus, (1972/1977), and capital (1983/1986).

Birth of the Global Staffing Model

Following the Information Technology (IT) department reorganization, executives

developed a model to guide their IT staffing decisions. The resulting Global Staffing Model

(GSM) was a two-by-two matrix for plotting the relative number of Icarus employees with

specific skills (i.e. Mainframe, Java, and Data Analysis) against the degree of *differentiation*

those technical skills provided to a given business function (see Figure 6.1).

Icarus Business Differentiation

Implied Logic: High Differentiation / Low Employee Skill	Implied Logic: High Differentiation / High Employee Skill
When Icarus IT finds it does not have enough skilled employees to perform differentiated work, it should use vendor staff augmentation. Long-term competitiveness can be established by training or hiring employees with these skills. If budgets prohibit training and hiring, continue using outsourcing until budgets are more favorable.	In in an ideal model, the majority of Icarus IT employees (in the U.S. only) have skills that apply to highly differentiating work. Defining what is considered highly differentiated is up for constant debate among executives. Thus, it is difficult to explain what most of the employees should be working on.
Implied Logic: Low Differentiation / Low Employee Skill	**Implied Logic: Low Differentiation / High Employee Skill**
Outsource the majority of "commodity" work to vendors because Icarus IT does not have many employees that can perform these functions anyhow. Defining what is considered low differentiated, or commodity work, is up for constant debate among executives. Thus, it is difficult to explain what most of the employees should be working on.	Outsource the majority of "commodity" work to vendors unless the India team can perform it as an even lower-cost alternative to offshore vendors. Although the India team aspires to only take on "sexy" (presumably differentiated) work, they must compete with offshore vendors for business from the U.S. headquarters.

Icarus Employee Skill Level Available

Figure 6.1. Icarus IT Global Staffing Model with Explanatory Comments

Differentiation, or its opposite, *non-differentiation*, denoted the relative uniqueness, or assumed competitive advantage, a particular function provided Icarus in their field. The quadrant where these two data points intersected suggested an employee versus vendor staffing model.

The two-by-two ouija board. The GSM was a seemingly elegant heuristic method with which executives could frame their assumptions about the rapidly changing retail sector. In retrospect, however, the model was highly subjective and open to interpretation (or manipulation) under the right conditions. The dimensions of the GSM were deceptively intuitive, albeit non-rational, as differentiation was determined more by debate than by data.

Within the implied logic of the GSM, more differentiated capabilities warranted higher levels of employee staffing, while non-differentiated, or commodity, capabilities called for more outsourcing. The exception to staffing non-differentiated work predominately with vendors was the case where employee costs were lower than vendor costs. This bottom-right or "Low Differentiation / High Employee Skill" distinction was intended to appease the Icarus IT team in India. As mentioned in Chapter Five, despite being part of Icarus's "One Team," employees in the India office during the Phoenix Era often felt they were competing with their Indian vendor counterparts for work. Hence executives determined the model needed to reflect scenarios in which the India office could be the preferred staffing decision.

Certainly in retrospect, the Global Staffing Model was more about vague impressions than hard science. Executives acknowledged the generally unsophisticated nature of the GSM: "I think having a two-by-two like that makes some sense, but I think, to some extent, ignores things like availability of labor and things like that. I think it's a good framework but it's somewhat simplistic" (Executive, personal communication, August 3, 2013). In practice, executives' assessments of a capability's differentiation and appropriate staffing strategy more closely

resembled personal interpretations of an inkblot test than objective or even rational decision making. The appeal of the GSM at this time was that it purportedly represented a new discovery of sorts in the normal science (Kuhn, 2012) of Icarus's IT post-reorganization operations. In practice, the GSM became an elegant way to legitimate executives' infocentric assumptions (Brown & Duguid, 2000) that managed services outsourcing would be successful at Icarus, despite the fact that it had not been so during the Phoenix Era:

> The [Global Staffing Model] helped people start to think differently about...just [assuming] all the work's always going to be onshore and always done by Icarus team members. You start to have to think [in] parameters of, "Is this something that should be done offshore? Is this something that should be done by a vendor partner rather than an Icarus team member?" (Executive, personal communication, September 10, 2013)

In creating the GSM, executives introduced the "non-differentiating" nomenclature and label to the Icarus habitus. The GSM brought the general topic of outsourcing into a quasi-coherent narrative and legitimatized discourse that allowed debate and decisions to be made about the relative value of different types of work. Additionally, the simplistic two-by-two framework of the GSM had become an incredibly powerful cultural artifact and represented objectified cultural capital (Bourdieu, 1983/1986) available only to executives. Most employees had no ability to influence—or for most of its gestation even be aware of—the GSM. However, in the hands of executives, it was core to what would become the SSP initiative and ultimately used to legitimize the Supply Chain software development function as more appropriate to outsource over other capabilities.

The GSM had become institutionalized in the general IT strategy, however, it had several inherent weaknesses that led to a number of the challenges SSP would later encounter. First, the

relatively simple nature of the model made it susceptible for executives to work the GSM in their favor. At different times, all executives argued that their teams' work was differentiating and thus not suitable for more outsourcing. Although not recognized as such at the time, the GSM was a dangerous manifestation of the collaboration element of the Icarus habitus. On the surface, executives could appear to be aligned with one another—they moved in unison when they each had their fingers on the ouija board's planchette. Yet like a medium influencing the reading during a séance, executives could also impose their individual influence on the planchette to sway the outcome.

Additionally, the GSM limited the assessment of work to the binary pair of differentiated versus non-differentiated categorizations. Executives did discuss importance or complexity of work as a consideration for or against outsourcing, but inevitably, these variables remained secondary to the subjective level of differentiation the function provided. As an outsourcing decision-making tool, the GSM ignored the high potential for problems stemming from the darker elements or shadow side of the Icarus habitus.

The Capacity Problem and the Genesis of the Strategic Staffing Program

The central problem executives decided needed resolution emerged after the IT department reorganization and the birth of the Global Staffing Model (GSM). They collectively decided that they foresaw the need for additional resources to meet an expected surge in demand for IT work from the Icarus business groups. Despite being allowed to incrementally add employees in the years leading up to SSP, IT executives believed the expected demand would still eclipse their staffing capacity. As one executive noted, "I would say early on, the conversations were, 'We need to find another way to grow. We need to find another lever that would free up our team members.' I think we all saw this train coming" (Executive, personal

interview, August 24, 2013). In the minds of nearly all the IT executives, the issue facing the

Icarus's IT department was initially defined as the previously mentioned "capacity problem,"

meaning that there would be more than enough work but not enough personal onboard to do it.

Another executive described the "capacity problem" quantitatively:

> From 2010 to 2011, we went up [in the amount of IT work] by eighteen-percent. From
>
> 2011 to 2012, we went up by thirty-percent. And depending on whether you measure
>
> number of sheer volume of projects, sheer number of effort where you see [database]
>
> table changes, or whether you're using dollars spent, it goes from twenty-five to thirty-
>
> five-percent from the previous year to this year. This year, in 2013, we're looking at up
>
> to a fifty-percent increase in workload from the previous year. ...metrics show that we're
>
> delivering things faster and cheaper...I'm able to crank out a unit of work fifteen-percent
>
> faster this year than I was the previous year...and I'm able to do that at a lower cost point.
>
> The challenge is, we're diluting it [the IT department's capacity] across more and
>
> more projects, so to our business [Stores, Merchandising, Finance business divisions,
>
> etc.], it seems like we're not doing as much. So whereas before I was working on one-
>
> hundred projects at one time, now I'm working on one-hundred-fifty projects. So even
>
> though I got a [sic] fifty-percent increase in my productivity, what's happening is, I'm
>
> diluting that over fifty-percent more projects. And so to them [the Icarus business
>
> divisions], it feels like it's taking longer to get things [projects completed]. And we just
>
> can't add more [employee] head count. (Executive, personal interview, March 20, 2013)

In the eyes of the Icarus business divisions, IT was a bottleneck. These groups needed IT to

enable and automate solutions to their business opportunities, and their demands historically

outpaced the IT division's ability to fulfill requests for new and upgraded systems. Furthermore,

the IT department had always been subservient to the business divisions such as Stores, Merchandising, and Finance. Those business executives considered IT the "child" sitting at the "adult's table" during a holiday meal. They tolerated the "child," albeit in lighthearted, if not condescending tones. IT was necessary, but was meant to be seen-and-not-heard by the "adults" in the Stores, Merchandising, and Finance divisions. Thus, like a child wanting to earn her or his place at the "grown-ups' table," the CIO and IT executives' were intent on doubling the output of their recently transformed software factory to prove IT was as much an adult as the other Icarus divisions.

An intuitive solution for IT executives at the time would have been increasing the number of employees in their software factory. Executives acknowledged this, but IT (along with all Icarus divisions at the time) were not allowed to increase their employee staffing levels. "We needed more team members [but we were] in a flat headcount environment" (Executive, personal interview, June 27, 2013). Furthermore, IT executives recognized the need to upgrade older applications still used by Icarus as an additional factor legitimizing the "capacity problem." This compounded pressure for executives to both meet increased demands for implementing new functionality while upgrading existing technologies:

About the same time we had just published our first technology roadmap, we acknowledged that the majority of our [technology] portfolio was really old—at least ten years old—and all on aging technology and technology platforms. The majority of it [was] custom and so it was highly expensive for us to maintain. We were going to need to evolve the technology platform. As a result, we could see a tidal wave of work coming at us. As we started looking at the tidal wave, [we] acknowledged that our current [vendor staff augmentation] staffing model was never going to work for us to scale at the rate we needed

to scale. (Executive, personal interview, March 21, 2013)

The combination of year-over-year increases in business demands for IT, a restriction on adding additional employees, and an aging technology portfolio reinforced executives' need to solve the "capacity problem." They had implemented Project Phoenix nearly eighteen months prior to this realization of a "capacity problem," and had dramatically increased the amount of work being performed by TechStaff. However, any productivity or efficiency gains made in the Phoenix Era were not enough to keep pace with the rising IT demands. Phoenix was not working (enough) to solve the capacity problem, and executives were not able to add additional Icarus IT employees. Because the executive habitus favored more bold and imaginative strategies as better than more prudent and incremental ones, executives decided they need a new model for hiring contractors that would go beyond the Phoenix Era preferred partnership with TechStaff.

As Icarus faced the brave new world of digital retailing, the CIO and IT executives set about solving a presumed "capacity problem." It should be noted that there were other possible interpretations of the issues facing the IT department. However, this reality seems not to have surfaced. Instead, Icarus IT executives began an effort to identify "solutions" to the "capacity problem" before fully researching other interpretations. This meant that other emerging issues of the time—like digital security and the digital disruptions to the traditional brick-and-mortar retail paradigm—did not receive the same amount of attention that hindsight would suggest. These were not complete blind spots for the IT organization, but they were second tier considerations to the demands by Icarus's "adult" executives for more IT output. Yet as IT executives focused their attention on doubling the output of their software factory, Icarus was already starting to show the early signs of an identity crisis that would become magnified in the years that followed.

A champion surfaces. Whether Richard volunteered or was asked to lead the effort to develop recommendations to address the capacity problem is a bit unclear. What is known is that Richard and Donald (a director working for him) lead the initiative to address the issue from the start, and they quickly assembled a small team to research potential solutions. At this point, no decisions had been made about which functions were the best candidates for outsourcing. Donald explains how he initially got involved in the research that would become the Strategic Staffing Program (SSP):

> [Richard] and [another VP] asked myself and [another IT director] to a head up an initiative to figure out how are we going to scale as an organization. We needed to come up with a new staffing model. We pulled together a group of folks to start talking about what that might look like. (Donald, personal interview, March 21, 2013)

The primary function of the group was to assess whether—and subsequently quantify how—outsourcing would add IT capacity. From a habitus and moral career perspective, the work also positioned Richard and Donald in key roles to build their organizational power though leading a highly visible stretch assignment that could benefit both of their careers if successful:

> It took [Richard] and I [*sic*] going in [to CIO Staff Meetings] and having several long conversations. We had lots of documentation on models and could show how things were going to shift and change. We were pretty aggressive in being able to show how would we look at onshore versus offshore, and how would we save [money by using] vendor[s] versus [employees], and what would we free up the team that was currently on those [Low Differentiation] initiatives [per the Global Staffing Model]. It was a whole lot of modeling that we did that helped [Richard] work through that conversation [with the other VPs]. (Donald, personal interview, March 21, 2013)

The data model Richard and Donald delivered included employee and vendor staffing numbers. However, no data beyond the (subjective) GSM debate existed for defining and assessing the level of work differentiation. In Bourdieu's terms, one can see how the outsourcing research was a means to accumulate cultural capital (1983/1986)—it would launch SSP and become the next major probationary crucible (Jackall, 2010) or stretch assignment in Richard's and Donald's moral careers. Through the growth paradigm lens, all of this work was considered typical or within the bounds of the normal science of business problems facing Icarus at this time.

Contrary to traditional views of outsourcing or offshoring, which focus heavily on staff and cost reductions, Richard and Donald suggested Icarus could increase its IT department's overall capacity (without adding employees) by outsourcing "Low Differentiation" work and redeploying affected employees from "Low Differentiation" to "High Differentiation" assignments. This thinking later became a critical element in legitimizing SSP as a solution to the capacity problem with affected IT employees. Another executive elaborated on the need to reassign employees while using vendors "more comprehensively" in order to enable such reassignments:

> The initial [capacity problem] hinged around the increased demand coming for internal resources within Icarus and the huge technology agenda in front of us . . . [We were] looking at opportunities to free up team members where it made sense, especially in areas that were non-differentiating for Icarus, or where capabilities were either harder to acquire or retain in-house, or just too mundane or routine to want to be investing in that. That was the business case really, to work with a vendor partner that could kind of run something more comprehensively [than what TechStaff had done under Project Phoenix] for us and free up our internal talent. (Executive, personal interview, June 27, 2013)

The ability to "free up internal talent" and have a vendor run something "more comprehensively" would require Icarus to give more autonomy to the vendor it hired (i.e. a managed services agreement as discussed in Chapter One). However, the ability to let go and turn the work over to another firm regardless of its non-differentiation did not align with the "we can do it better than everyone else" element of the Icarus habitus discussed in Chapter Five.

Executives had initially envisioned Project Phoenix as a managed services agreement, but that effort had devolved into a large-scale staff augmentation model, although that outcome was not acknowledged openly. As Brown and Duguid suggested is often the case with strategies over reliant on information at the expense of historical and social context (2000), IT executives failed to examine the reasons why Project Phoenix never succeeded. Instead, executives' infocentric tunnel vision led them to ignore context beyond the data they found to be most interesting. Said differently in Brown and Duguid's terms, IT executives took "the most rapid point of change and…extrapolat[ed] from there into the future, without noticing other forces that may be regrouping," (2000, p. 31). In applying the GSM to the situation they faced, Richard and other IT executives ultimately decided that pursuing a managed services or outcome-based contract would maximize the number of employees who could be redeployed to the most important or differentiated work and thus solve the "capacity problem" while neither advocating for or against a direct replication of the Phoenix model.

In order to qualify outsourcing a function or set of capabilities from the IT organization as a legitimate decision to their employees, executives needed to frame the work to be outsourced as non-differentiating when viewed against the Global Staffing Model. Further, it meant that one or more of the executives themselves would need to outsource some or all of the affected organization unit. Donald described this process:

First of all, everybody understood that the problem we needed to solve is how are we

going to scale. The piece that got very difficult was . . . once we understood the problem .

. . we started creating frameworks. Some of the frameworks were around how would we

select the appropriate area, and so we looked at some of the [Global Staffing Model]

work . . . and which capabilities were differentiating or non-differentiating. We made

assertions that work that was non-differentiating . . . would be work that we should

significantly consider [to outsource]. (Donald, personal conversation, March 21, 2013)

In Bourdieu's terms, the Global Staffing Model was a form of objectified cultural capital

(1983/1986) accessible only to the senior IT executives. Its existence legitimized the need to

outsource non-differentiated work. However, coming to the decision of which function to

outsource was a protracted process. The image of executives playing with the GSM like a ouija

board is again relevant. Each vice president tried to influence the movement of the board's

planchette to land on a function matching an individual agenda. One executive described the year

executives spent debating how extensive their outsourcing strategy should be, and which

function to outsource, as a series of debates with no clear rules or outcomes:

There was a lot of debate . . . and then, "Let's all weigh in on those options." . . . Then I

think we spent months—I'd hate to say a year, but a very long time [debating] . . . where

[was] the best place to implement it [managed services] the first time? There was never a

best place, so we spent a lot of time trying to figure that out . . . I don't think we got clear

enough on who the decision makers were initially, so then everyone [of the vice presidents

assumed they were] . . . [It] took a year to even decide [what to outsource]. (Executive,

personal communication, August 24, 2013)

Since outsourcing an entire function under a managed services agreement marked a significant shift from executives' former staff augmentation protocols, it is somewhat understandable that executives would not enter into the decision lightly. However, plodding along for nearly a year without making a decision should have raised a question about how dire the capacity problem truly was, and whether in fact the GSM was too open to interpretation to be of much assistance. The slow pace can also be attributed to the consensus building and socializing expectations of the Icarus habitus. Lacking consensus, Richard and Donald were at a standstill until the right non-differentiated work was collectively identified by the top IT executives.

Richard's Big Chance – The Anointment of the Strategic Staffing Program

In order to solve the capacity problem, one or more executives needed to accept that their unit or program team was non-differentiated and be prepared to fully outsource it. The stage was set, and executives debated extensively over which areas would be the best candidates for outsourcing like mediums competing with each other to interpret the GSM. Donald described the positioning the vice presidents exhibited over which of the non-differentiated areas were or were not the best choice for outsourcing as follows:

> I had been presenting the constructs, the concepts, [about] how we were thinking about things at the [CIO Staff] table for months. Everyone had nodded their heads and said, "Yup, this makes sense. We like where you're going. This all makes sense." As soon as we got the rubber hitting the road, nobody would pony up [to outsource their function]. I think it's a case of control . . . I think another piece of it is we were only a year under the [IT reorganization]. I think people were still reeling from that amount of change, and we were just going to put another accelerator on the change. I bet that that had a huge piece to play in it. You can only get your head around so much change at a time.

Then the other piece of it was as soon as we made assertions as to which business areas ought to be ones that we would explore [for outsourcing], the majority of [the IT vice presidents] said, "Not I, not me, my area is too big, it's too scary, it's too hard, my vendor partners are very complicated; the work is very complicated; I've got a huge portfolio," everything under the sun . . . That's when we started getting everybody saying, "I can't do this, it's too hard." Philosophically, they approved of the framework, the model, and the approach; as long as it didn't impact them.

[The vice presidents decided not to outsource] Legal, Property Development, HR—back office sorts of things—and then BI [Business Intelligence]. . . Then [Supply Chain software development] was the one that was left standing, and that was the area [Richard] was currently the [Business Strategy Team] leader of. He agreed to start visiting with his business counterparts and talking about this as a way for them to get the scale that they were looking for. No one knew then . . . what we would know now about the portfolio and the impact that it's going to have on the organization either. (Donald, personal communication, March 21, 2013)

Each of the functions Donald listed—Legal, Property Development, and Human Resources—were commonly considered likely candidates for containing non-differentiating functions, yet the executives over those areas were unwilling to outsource them. From Donald's perspective, Richard was the only vice president willing to consider outsourcing a direct reporting function. "When everybody backed up, the only person left standing forward was really [Richard]" (Donald, personal communication, March 21, 2013). With no other executives willing to outsource functions, Richard seems to have parlayed his initial research of solving the capacity problem into a big chance to outsource his Supply Chain development team.

Donald's final comment foreshadowed the major flaws in the executives' decision making. In reality, Supply Chain software development would never prove to be non-differentiated work. Rather, Richard and other executives rationalized a narrative about the Supply Chain work to make it fit the GSM. SSP could not proceed unless a vice president was willing to suggest their area be outsourced. The fact that after eighteen months there was no agreement amongst executives on what work was non-differentiated again calls into question just how pressing the capacity problem truly was. It also highlights how IT executives were quite possibly so distracted by accomplishing SSP that they did not grasp the implications of outsourcing their Supply Chain software development work, given the digital disruptions in retailing at the time.

Whether this was a heroic or opportunistic act on Richard's behalf is a matter of perspective. Donald, following a bureaucratic ethic to support his boss (Jackall, 2010), viewed Richard's motives as commendable, even courageous. One could also view this as further opportunity for Richard to gain power and the next achievement of his moral career. Some of Richard's peers viewed his willingness to champion outsourcing the Supply Chain development work as a being somewhat advantageous:

The discussions have been very open around [the CIO table] and just getting to the decision to do it [SSP] was really hard because people have so many different opinions about, "Is this the right place, is this the right time to do it? If the business partners aren't with us, why would you do it?" Probably the biggest reason we did do this is because of [Richard] and the [Supply Chain] business partners ended up being with it. Around this [CIO] table, [there were] very different opinions. [Richard] was really the driver. [Richard] got [Jack's]

support and [Jack] came out openly and strongly for that, and I don't think we've really

looked back hard since. (Executive, personal communication, September 9, 2013)

Rather than being stuck with the decision to outsource the Supply Chain development work,

other executives saw Richard as driving this decision directly, especially given the fact that he

was also leading the overall effort to solve the capacity problem. All things considered, Richard

seems to have leveraged his social capital to build a coalition of support both from his partners in

the Supply Chain business functions and direct support from his boss, Jack.

Richard and Donald successfully used the GSM to corroborate their decisions that Supply

Chain development was non-differentiating work, and outsourcing it would free up enough

employees to address the capacity problem. In the short term, Richard likely benefited from the

silent support (or lack of direct opposition) from those peers who disagreed with the strategy, but

reserved their rights to publicly challenge the strategy later. As it became clear later, not all of

the executives agreed on that outsourcing Supply Chain development is the right course of

action, but executives' passive groupthink and their faked consensus enabled Richard to proceed

with SSP

Supply chain software development. What would eventually become known as the

Strategic Staffing Program (SSP) was the transition of all business analysis, project management,

and engineering work performed by ninety-three employees and two hundred (mostly TechStaff)

staff augmentation contractors for Supply Chain software development to a single vendor. The

vendor's name, as used here, would become ComTech, and the intention was that it would

operate under a managed services agreement. As discussed in Chapter One, firms enter into

managed services agreements to fully outsource a section or sections of their organizations. The

vendor essentially owns these capabilities rather than simply augmenting the client's staff, and is given a higher degree of autonomy to manage its staff accordingly.

The Supply Chain systems were used to manage and automate product movement and storage in warehouses, keep track of inventory, and manage order fulfillment to customers ordering from Icarus's website. One executive recalled the apparent "correctness" of the decision to outsource this work:

> [Supply Chain software development has] been an area where we haven't had the IP [intellectual property] in-house. It's a niche technology, complex, [and it is] hard-to-find talent that knows this stuff well. Also, [it is] something that our vendor partners [primarily TechStaff] had been managing for us for a while [under Project Phoenix]... yet our [systems'] performance had not been good. We were having just too many issues with the systems. Because of distributed ownership of the various systems, some of it's owned by one-by-one vendors, [and] some of it was done by team members. There wasn't...enough IP in [Icarus]. It became a classic candidate where we said, "Hey, if we were to give this out to somebody it would run [better] for us [and] help manage our total [number of system outages] down. Also, [it could] free up resources who were tied into this but were not necessarily experts in that space." It just made a lot of sense. (Executive, personal communication, June 27, 2013)

To executives besides Richard and Donald, the evidence supporting Supply Chain software development as the area to outsource was convincing. These factors included a lack of a substantial employee knowledge base of the systems and the difficulty to find talent to support the systems' "niche technology." Interestingly, Icarus already used TechStaff (albeit in a staff augmentation model under Project Phoenix) who apparently struggled to perform up to

executives' expectations. It is somewhat surprising, then, that executives agreed that another vendor could perform better than TechStaff under an even more complicated and risky managed services construct. Note that this executive also suggested that Icarus could bring in a vendor that "run it better than us," despite the deep, contradictory belief within the Icarus habitus that "nobody does it better than us." Another executive added:

> We came up with a notion of piloting a managed-service partnership...the space that we suggested and offered was [Supply Chain software development]. The reason we picked that space was because the [primary software] asset that we have in that space is a homegrown application that struggles with its stability and needs to be managed and eventually rewritten... [Supply Chain software development] was essentially in the background. There was not a lot of work we did for it. The work that we were doing was core maintenance and small enhancements. It was not big profound work, and it felt like an easy test of a managed [services] partnership because there wasn't any major critical work happening in that space and was planning to happen in that space. (Executive, personal communication, August 29, 2013)

The last comment is the key qualifier for the executives quasi-groupthink belief supporting Supply Chain software development as "non-differentiating," "It was not big profound work…there wasn't any major critical work happening in that space and was planning to happen in that space." Although executives acknowledged that the Supply Chain systems were critical to Icarus's operations, they did not view the Supply Chain as something driving competitive advantage for Icarus. As this executive noted, there were no major, highly visible, projects tied to Supply Chain at the time.

The major issue executives were focused on solving was their assumed capacity problem within the constraints of not being able to increase the number of IT employees. They had constructed the GSM as a staffing guide and their hubris seems to have convinced them that (despite Project Phoenix's shortcomings) they could implement an even more complicated managed services agreement and redeploy Supply Chain employees to other "differentiated" assignments.

Through the lens of the GSM—which considered "differentiation" rather than the criticality of the work—most executives were not hard to convince that Supply Chain software development was the right place to try SSP. Nevertheless, the ultimate designation of Supply Chain as non-differentiating points to a major blind spot among both Icarus IT and business leaders to the importance of their Supply Chain systems to remain competitive in the twenty-first century retail field. Furthermore, the decision to outsource Supply Chain development, at a time that this business capability was actually becoming central to Icarus's digital retailing strategy, would prove to be a slow-festering mortal wound to Richard and other IT executive's careers.

Strategic Staffing Program Overview and Timeline

The full timeline of this research is nearly six years. This includes the two years prior to SSP referred to as the Project Phoenix Era in this study. By the conclusion of this research, the Strategic Staffing Program had taken nearly two years longer than expected despite the fact that it had only reached its early implementation phase.

The following sections provide a holistic overview of SSP's phases beginning from its first year and into its fourth. Figure 6.2 represents the full timeline covered in this research.

Phases	2009	2010	2011	2012	2013	2014
Project Phoenix Era						
IT Department Reorganization						
Global Staffing Model						
Strategic Staffing Program						
Problem Identification						
Strategy Development						
Solution Development						
Early Implementation						

Chapter 5   Chapter 6   Chapter 7   Chapter 8
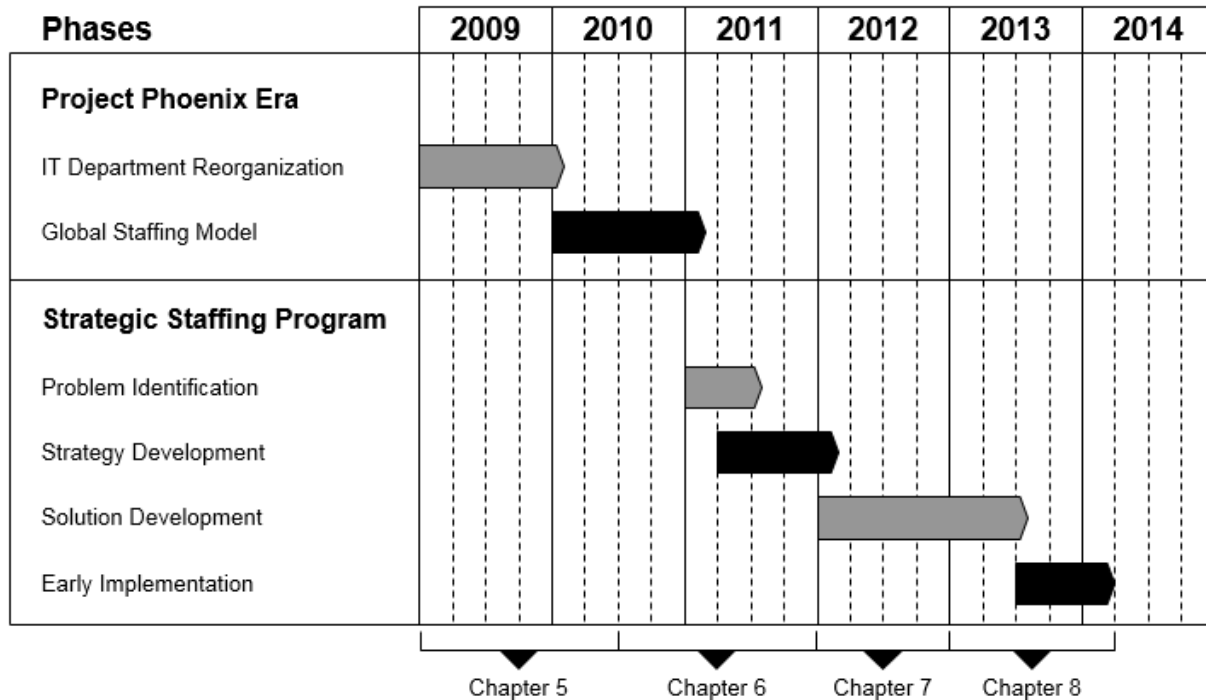
Figure 6.2. Strategic Staffing Program Timeline

Figure 6.2 also references the focus of the analysis in Chapters Five through Eight. The Phoenix Era phases have already been discussed between the previous chapter and the current chapter. It mainly concerned the IT department reorganization and the creation of the Global Staffing Model. The Problem Identification and Strategy Development phases in 2011 were the focus of the previous section. Subsequent chapters look deeper at the events from 2012 into early 2014. Chapter Seven examines the cultural rituals executives used to socialize SSP in the Icarus habitus. Chapter Eight explores anomalies to executives' underlying assumptions about SSP, and impacts of Richard's and Brenda's conflicts.

Problem identification phase. As just discussed in the previous section, IT executives determined that future demands for IT work would exceed what they could deliver given

employee and contractor staffing levels at the time. This became known as the "capacity problem." The amount of IT work had grown substantially in the preceding years. IT executives were certain of workload increases based upon projected business growth and the need to update legacy IT applications and systems. At the end of this phase, Richard had become the sponsor of SSP, and along with Donald began developing a strategy to expand Icarus's IT labor pool.

Strategy development phase. Executives predominantly operated without an expected timeline during both the Problem Identification and Strategy Development Phases for reasons not determined during this research. My personal observation was that there were other, higher-priority demands for executives' focus during this time. While SSP was deemed important, executives did not apply the same sense of urgency to it during it early phases. As a result, the Strategy Development phase lasted approximately one year.

As just discussed in the previous section, Icarus executives made the following key decisions or assumptions during this phase. First, the perceived capacity problem could be solved by "outsourcing" an entire IT function under a managed services agreement despite the fact that Project Phoenix—Icarus's only experience of a managed services agreement—was judged merely a qualified success and had resulted in stark taxonomic assumptions that disparaged contractor engineers. Next, displaced employees had the skills or could be trained to work on highly differentiated work on other teams. Finally, the Supply Chain software development work was the best outsourcing candidate as it fit the GSM criteria for non-differentiated work and could "free up" nearly one-hundred Icarus employees to be reassigned to differentiated work.

Solution development phase. Solution Development was the longest of the phases; it spanned nearly one and a half years from executives' decision to outsource the Supply Chain software development work and the date the SSP contract was awarded to ComTech. Richard

and Donald tasked a Working Team of their up and coming senior managers to develop a communication plan informing employees about SSP, select a vendor, develop an onboarding plan for the vendor, and work with Human Resources to develop a plan to reassign impacted employees to new positions. This team also included vendor management specialists from my team to support contract negotiations.

One of the most critical deliverables from the Working Team was an "interaction model" for how the SSP vendor would work with different IT teams. Despite the time devoted to building an elegant interaction model, many IT teams outside of SSP would go on to ignore or never fully accepted the notions that Supply Chain development was non-differentiated and that a vendor could fully take over work performed by employees. In particular, the Phoenix Era taxonomy would not permit a vendor to have as much or more power than Icarus IT employees. Furthermore, the interaction model was not designed with an engineering focus. In Brown and Duguid's terms (2000), the interaction model enumerated the "processes" for navigating the bureaucracy of Icarus's IT department; it did not consider the "practice" of engineering Supply Chain software. I provide a comprehensive analysis of IT executives' decision-making and communication rituals during this critical phase in the following chapter.

The strategic staffing program contract. By mid-2013, Icarus eventually awarded the SSP contract, valued between $20 million and $40 million per year, to ComTech, a global IT vendor headquartered in India. Although ComTech had experience with IT outsourcing and Supply Chain application development, it had almost no prior experience working with Icarus. Richard had expected to complete this phase, begin transitioning work to ComTech, and redeploy employees by the end of 2012. In actuality, it would take until the end of 2013 to make that progress.

Early implementation phase. While Solution Development was the longest of the phases, Early Implementation proved the most disruptive. This research concluded at the end of this phase. Icarus's sales were considerably lower than forecasted during this time, and the expected need for increased staffing levels—therefore the original "capacity problem"—failed to materialize. Unsurprisingly, Icarus also placed financial pressure on ComTech, who had agreed to underwrite much of the expense needed to transition work from Icarus to their team.

ComTech had staffed SSP with nearly three hundred contractors, but delays in redeploying Icarus IT employees to new roles had significantly slowed SSP's overall progress. Placing impacted employees into new roles during this phase was hampered by the general lack of open positions across the entire IT department. This placement process was protracted and fraught with anxiety for employees who feared they would lose their jobs. Tensions that began during Solution Development peaked during Early Implementation. Internal IT teams were at odds over ComTech's abilities and cultural fit with Icarus. Some executives and employees openly questioned the soundness of the SSP strategy itself, given the changes in the macro business climate compared to when they began SSP three years earlier. Chapter Eight concludes the data analysis of this study and explores the crucial events that led to key personnel changes in the face of serious executive loss of confidence in the project.

CHAPTER SEVEN

INFORMATION TECHNOLOGY EXECUTIVES' CULTURE AND RITUALS

Icarus IT executives had a passive, groupthink approach to strategy and planning and performed a number of cultural rituals to socialize ideas and make decisions. These rituals occurred throughout the study, but were most notable during the Strategic Staffing Program's (SSP's) Solution Development Phase (see Figure 6.2). As discussed in Chapter Five, the Icarus IT habitus was viewed as highly collaborative and consensus driven. A premium was placed on socializing information with one's key partners and receiving their feedback ahead of meetings where decisions were expected to be made. This process of incremental improvement and perfectionism often prolonged decision making. Once made, decisions were expected to be flawlessly executed. However, it was an unspoken but regular practice among executives to regularly fake consensus and later withdraw their support for each other's strategies as a way to advance their own careers. It was the "Icarus way" for executives to attempt to mask these behaviors (with mixed results) by employing political discourse, symbolic imagery, and "performances" to socialize key strategies to employees.

This chapter draws on Harvey's (1988) Abilene Paradox, Goffman's (1959) "front region" (referred to as "front stage" in this research) and "backstage" performances, and Jackall's "looking up and looking around," and "dexterity with symbols" (2010) as analytic tools. As in previous chapters, the Icarus habitus and capital (Bourdieu, 1972/1977; 1983/1986), Lincoln's taxonomy (1989), and Brown and Duguid's infocentrism (2000) continue to support the analysis in this chapter.

The CIO Staff Meeting as the Abilene Paradox

As outlined in Chapter 2, Lincoln (1989) described *rituals* as gestural and dramatic forms of social discourse. They are moments—set apart from "normal" times—when symbolic performances legitimize the authority of the dominant group. Jack's CIO Staff Meeting was a weekly back stage ritual that served as the primary decision-making function for the IT executives. The meeting served as a means for the CIO to share updates from the CEO's weekly Staff Meeting (a backstage ritual in its own right) and make some standard operating decisions (i.e. finance and human resources updates). Although the meeting was the central information-sharing and decision-making ritual for the IT executives, the general effectiveness of this meeting was questionable as there was little continuity between the staff meetings.

Executives used the meeting as a way to provide favors to their rising stars giving them a forum to present updates on their "stretch assignments" to the top IT executives and thus advance their moral careers. The meeting's agenda often served as the main stage for rising stars to gain the learned dysfunction of the Icarus habitus through participating in executives' groupthink and self-representation with each other. I received my first big chance to present during Project Phoenix and learned first-hand about the nature of this ritual by presenting updates at this meeting every month. Rising stars' presentations were generally rehearsed and previewed in advance with key executives. Thus, executives asked very few difficult questions of rising stars, which abdicated the executives from genuine, critical debate on crucial topics such as the Strategic Staffing Program (SSP).

The rectangular conference room was adjacent to Jack's office and contained a large conference table that could seat about twenty-five participants. Additional chairs against one of the longest walls accommodated an additional twelve people. A large screen at the far end of the

room was used to project PowerPoint presentations, and the ceiling was wired with speakers and microphones for conference call capabilities. Executives from Icarus's India offices participated via conference call, which usually began around seven or eight o'clock in the morning in the U.S. Seating was not formally assigned, but Jack and the vice presidents generally sat around the end of the conference table furthest from the screen. Jack's administrative assistant as well as the directors from Human Resources and Finance supporting the IT department also joined the weekly staff meeting.

The CIO Staff Meeting was separated from the general front stage world of cubicles and offices of other Icarus employees. As with any backstage area (Goffman, 1959), audience members, or presenters in this case, were restricted from entrance and waited outside of the conference room until they were asked to enter. Although some topics could run over their allotted time—which was typically fifteen minutes—presenters were held to strict time limits unless Jack and the vice presidents allowed the conversation to run longer. Presenters typically began by stating whether their presentation was to provide an update on an initiative or previous topic, seek approval on a specific decision or decisions, or inform the executives of a course of action they needed to take. All presenters received some form of feedback on their work, which was expected to be incorporated into future updates. This meeting provided presenters with a glimpse or temporary backstage access to these executives. The nature of the work that warranted updates at this meeting was typically akin to Jackall's (2010) probationary crucibles, or "stretch assignments" in the Icarus habitus, for the presenters. Therefore, this meeting also served as front stage performances for rising stars, who recognized the relatively high stakes of being a guest speaker at this meeting. Presenters regularly wore their best business attire and presented in a generally more formalized manner than they would in other interactions.

The strategic staffing program's long, long road to abilene. Richard, Donald, and the

SSP Working Team provided monthly updates at the CIO Staff Meeting. Executives spent

considerable time providing feedback on SSP's incremental progress. Whether it was the

collaboration and flawless execution elements of the Icarus habitus, or the political

maneuverings between Richard, Brenda, and their peers, executives seemed unclear who the

decision makers (over SSP's direction) were. Even what decisions needed to be made was vague

at times: "We spend a lot of time making sure, almost to a fault, reviewing and re-reviewing each

incremental step of the way . . . In many cases, that transparency I think [is] not as important as

the amount of time as what we're spending" (Executive, personal communication, August 4,

2013). Donald also reflected on the amount of time spent making, or trying to make, decisions

during this time period:

> There was a lot of brainstorming that went on in the early days. One was "Let's just get a
>
> handle on what is the problem we're trying to solve and why is it an important for us to
>
> solve now." I would tell you, though, in those early days, we didn't really have a
>
> perspective that it was going to take us two years to get to the point that we are now. I
>
> think back then I thought we would be able to accomplish in about a year. It just seemed
>
> like we ought to be able to get enough people on the bandwagon to say this is a really
>
> important thing for us to execute against the organizational change around it. I did not
>
> anticipate how tough that was going to be. (Donald, personal communication, March 21,
>
> 2013)

Receiving feedback was much easier than actually getting executive alignment and making

decisions on how to continue with SSP. In general, executives agreed that the capacity problem

was something that needed to be solved, but getting all the executives on the SSP bandwagon or

building consensus on how to proceed was an early and perennial challenge for Donald and

Richard. Donald's recollections of SSP's protracted progress revealed the underlying resistance

to SSP by some executives. Furthermore, the fact that the quasi-debate lasted two years

highlights executive's failure to "manage agreement," in Harvey's (1988) parlance, that many

executives had doubts about their trip to Abilene.

The CIO Staff Meetings appeared to lack any strategic planning arc. While there was a

cadence for operational decisions, my experiences and those of the executives interviewed

highlight the disconnectedness and unclear decision making that was prevalent in these sessions.

In practice, they were a stage for showcasing rising stars and executives' token debates. The

absence of a clear direction or consensus on actions to be taken enabled a passive approval

among the executives to continue with SSP. This behavior is part of the Icarus habitus where

executives "reserved the right to disagree later" when they disagreed with their peers. Brenda

described the impact this conduct had on the early decisions made at the CIO Staff Meeting as:

> It was a year of trying to get our legs underneath us, trying to get everybody organized
>
> around what would a [SSP] pilot look like, how many people would it be, what areas of
>
> impacts would there be. The definitional work felt to me, from an outsider's perspective,
>
> [meaning from outside of Richard's and Donald's Working Team] like it was a good
>
> solid year plus of activity to make it happen. My recollection and it's purely that, as a
>
> recollection, it's a decision that originally gets made passively. We talk about it
>
> [managed services partnerships] and somebody [Richard] volunteers to go investigate it,
>
> and everybody says, "Makes sense. Let's go and investigate it."…
>
> We did not update on a weekly basis, I would say kind of quarterly at best. It took
>
> a good solid year. In terms of who makes the decision [to outsource Supply Chain

Development], there's a little bit of a decision rights that comes in to this, and this is a

challenge we've got in IT right now is our decision rights are not clear. This is one great

example, and there're many great examples that are like this where there are conflicting

perspectives among direct reports of the CIO. It is unclear who makes the call... I would

say momentum made the call on this one. As it [SSP] started to come together it

coincided with the time that we were putting a lot of energy, strategically, into the same

space; into the [Supply Chain]. The questions started popping at that point. "Is this still

the right thing to do? Is this still the right thing to take one of our most strategic

partnerships now, and let that be managed by somebody else?" That's where I think we

just ended up with momentum ruling. (Brenda, personal communication, August 29,

2013)

As presented in Chapter Six, the executive team agreed on the capacity problem; they were not

aligned on outsourcing Supply Chain software development. By the time the executive team

designated Supply Chain as non-differentiated per the Global Staffing Model, there were already

signs of its dramatically increased strategic nature. Executives' faked consensus contributed to

what Jackall (2010) termed their "looking up and looking around" behavior. Knowing their

peers may withdraw any (real or perceived) support for SPP at a later time, they looked for social

cues on which way the political winds were blowing and "acted" out front stage performances

accordingly.

As Harvey suggested, executives may have misperceived the "collective reality" (1988)

that their peers held serious doubts about SSP's viability. Executives publicly went along with a

decision that many privately disagreed with and considered was counter to the group's best

interests This failure to manage their agreement on their reservations about SSP provided

enough momentum and did not restrict SSP's path forward. Many of the CIO's vice presidents essentially held their peace and reserved their right to have an opinion as SSP unfolded—Richard's peers were lying in wait for a future opportunity to challenge SSP. Therefore, instead of propelling SSP forward, the staff meeting became a quasi-tollbooth on SSP's road to Abilene, making the trip both protracted in addition to being ill advised from its onset.

In addition to being passive, the CIO Staff Meeting decision-making rituals also took considerable amounts of time and preparation resources. As expected within the Icarus habitus, updates were over-rehearsed performances, and the Working Team performed the yeomen's work to prepare for these updates. They gathered information, conducted analysis, and then presented that material to executives in advance of the CIO Staff Meeting. All these presentations and decision-making exercises were encumbered with the socializing, statusing, meeting before the meeting, and flawless execution elements of the Icarus habitus. The taxonomy also influenced this decision-making ritual:

> The struggle with it [SSP decision making] is it was committee driven at lower levels [i.e. the SSP Working Team], it was brought up to higher levels, feedback was given, committee goes away, they do some more analysis, they come back . . . I think at the end of the day . . . and this is me looking into the decision making process; I have no idea if this is true . . . Somebody must have said we've got to make a call. I'm guessing somebody just got fed up. (Executive, personal communication, July 23, 2013)

Although they were rising stars within the IT department, Donald and the Working Team did not have the same level of backstage access to all of the contexts or political sensitivities of each of the IT vice presidents. Therefore it was important to get the support, or cultural capital (Bourdieu, 1983/1986), of as many vice presidents in advance of these meeting. Some vice

presidents were sought out for their direct support, or possibly their ability to neutralize a threat

or resistance from an opposing vice president during the staff meeting. To try and best prepare

for the decision-making sessions at the CIO Staff Meeting, Donald and the Working Team

members would go through multiple revisions and rounds of socializing with some of the vice

presidents before the actual staff meeting. As expected, these culturally acceptable and necessary

meetings-before-the-meetings, or seemingly endless quests for cultural capital, added additional

overhead to SSP's already protracted decision making progress.

Executives' faked consensus. The cultural requirement to steer all SSP decisions to the

CIO Staff Meeting created a significant bottleneck to SSP's progress. SSP was never able to

progress any faster than the rate at which executives made decisions at the CIO Staff Meeting,

which had become a petri-dish of weirdness, incubating odd behaviors among executives.

Donald recalled that even the initial decision to do SSP "was done and undone several times" at

this meeting:

> Yeah, it took probably a good six months actually. Then it felt in many respects the
>
> decision [to do SSP] got done and undone multiple times throughout the course. Every
>
> time I would come back to one of [Jack's] staff meetings to share, there was always
>
> another argument against. It finally culminated in [Jack] saying, "We are doing this," in
>
> [his] staff meeting. (Donald, personal communication, March 21, 2013)

One can picture this backstage environment as similar to a cast of actors in a play who each want

to be in a lead role. The actors tolerate one another and appear to work in harmony while playing

their parts for their audience, yet the emphasis they each place on their individual performance,

as opposed to the collective representation, creates a quasi-dysfunctional storyline. Much like

travelers who acquiesced to the Abilene trip in Harvey's (1988) paradox, IT executives faked

consensus on SSP, which they privately disagreed on, only to commiserate in small cohorts after

the meeting about how bad a of a decision SSP was. In faking consensus, executives habitually

communicated the opposite of their true feelings about SSP. As Harvey suggested, this

misperception of consensus could have led to a fear of ostracism for some executives. While

some executives privately and vehemently opposed SSP, they did not openly question or

challenge Richard over the multiple years of SSP updates. They were all implicitly driving the

SSP bus to Abilene.

Expanding upon Donald's recollection of the importance of the CIO Staff meeting as the

key SSP decision-making venue, another executive recalled how executives made early decisions

for SSP. These included whether outsourcing was an appropriate solution to the capacity

problem, and Supply Chain software development was a non-differentiated Icarus function:

I think there were kind of two key decision making points that happened. One was just

[passive] agreement with our CIO and [Jack's] DR [Direct Report] team, that we should

be pursuing these types of arrangements [managed services agreements] in the [software]

development space. I think the secondary decision was the decision to move forward with

[Supply Chain], and I think… the way that decision came to bear is that there was an

open dialogue with the CIO and [Jack's] DRs to, sort of, share everyone's individual

perspectives on both the idea of doing SSP, as well as the selecting [Supply Chain] for it.

I would say there were contrary opinions as to whether or not this was the right area for

us to focus on. In the end the decision was made based on that input that we would

pursue finding a partner that could support [outsource] our [Supply Chain software

development] space...That led to the initiation of the [SSP] project and the research to

figure out what options we'd have, to be able to really go after this. (Executive, personal

communication, August 26, 2013)

Yet another executive recalled the time spent leading up to the decision to award the contract to

ComTech as one example of how this decision-making pattern continued throughout the SSP

initiative. This executive acknowledged the opportunities (in the Icarus habitus sense of the

word) executives had regarding their decision-making effectiveness:

> We literally would spend three months getting to that point [of decision making] just to
>
> make sure everybody was brought along why we were doing [SSP]. Then when we did
>
> the [vendor] selection. . . relatively quickly. . . in a week or two, we still had the month of
>
> socializing that result [with the CIO Staff]. That's why I would question some of our
>
> empowerment and decision making.
>
> If you're talking about [Jack], I'm sure [Jack] goes, "Why do we have to take this
>
> amount of time our next iteration of this?" Again, there should be many iterations of this.
>
> [It] shouldn't be [a] nine to eighteen month type process. It really needs to be much more
>
> compressed. . . I think the ultimate decision maker on this has really been [Jack] in the
>
> CIO role. The person who's taking the accountability for the execution of [SSP] really
>
> has been [Richard] and I think appropriately so. It really does go back with [Jack] saying,
>
> "Hey this [Supply Chain software development] is the right area. Yes, there's risk with
>
> this, we are introducing a new partner into the equation, into the ecosystem," and that's
>
> why I like [Jack] making that decision. . . . (Executive, personal communication, August
>
> 4, 2013)

Executives made the critical decisions to pursue the SSP strategy to grow capacity through

outsourcing, and to label Supply Chain development as non-differentiated (outsourcable) work at

this meeting. These were the critical decisions that legitimized SSP as a rational problem to be solved in the new normal science of managed services partnerships discussed in the previous chapter. These decisions could not be made in any other venue than the CIO Staff Meeting. The consensus-driven culture and unclear decision rights exacerbated SSP's slow progress, and put it "on the road to Abilene" in Harvey's parlance (1998). The time that it took to make these decisions revealed some of the private disagreements among executives, notably Richard and Brenda. The CIO would eventually provide his full and public support to Richard to proceed with the SSP "trip to Abilene." Brenda would later challenge Richard more directly (discussed in Chapter 8) and conflict over SSP would eventually cascade through the IT taxonomy beyond Richard and Brenda to their teams.

The Town Hall Communication Ritual

The Icarus habitus treated big events as a mass communications ritual. These events spanned quarterly function meetings and senior leader meetings for dozens to hundreds of employees, to an annual sales meeting for thousands of employees and executives. Many of these meetings happened on a pre-defined schedule or cadence. Occasionally, executives would have a need to communicate ad hoc updates to their teams and would hold a "town hall" style meeting. Employees received invites to these meetings with little advance notice, and while the meetings themselves appeared to be extemporaneous, executives carefully planned and rehearsed these events with the intent of informing employees of some type of organizational change or significant announcement.

The decision of how and when to announce SSP to the roughly one hundred impacted employees was another example of how IT executives' discourse created cultural double-speak. After debating the matter within the Working Team and receiving approval at the CIO Staff

Meeting, Richard elected to hold a highly-scripted town hall forum to share the news in mid-2012. The town hall was held at eight-thirty on a Monday morning in a large conference room at Icarus's headquarters. The room had several rows of chairs and a podium centered in the front of the room. As with any larger gathering at Icarus, employees gravitated to the available seating at the sides and rear when entering the room. Employees took seats toward the front and center of the room as a matter of last resort. Richard, Donald, and the Working Team members gathered near the podium as the room filled. Although not physically separated from the audience, this small cluster of actors served as a backstage area, and employees generally avoided this group. The podium had a speakerphone on top of it to accommodate employees who needed to attend via conference call. Before raising the curtain on this performance, I review some of the preparations that were made in advance.

An "exciting announcement." Richard's intent for the town hall meeting was to inform Supply Chain development employees of SSP, and most importantly, that although their positions would be impacted, employees are not losing their jobs. However, at the time of the town hall, the Working Team had just submitted a Request for Information (RFI) to seven or eight vendors to gauge their interest in bidding on the SSP contract. It would be another year until ComTech was actually awarded the contract in mid-2013:

> There was disagreement during the summer months from our leaders of how soon we told team members. There were some folks that felt that we shouldn't tell the team until we selected the vendor, which I'm so glad we didn't do, because there would have been no buy-in. There would have been people probably leaving the company, or they would have just not trusted Icarus and IT. I think build the right case, build the right story so that you

can include the hands of many to help you manage it because it isn't a small effort.

(Working Team Member, personal communication, September 29, 2012).

The discussion between executives and the Working Team over whether to announce SSP early or late highlighted the varied comfort levels and interests for controlling information flow (i.e. cultural capital) between different levels of the taxonomy. The former preferred to tightly control the distribution of information; the latter pushed for a broader distribution. The Icarus habitus demanded flawless execution. Thus, the higher one was in the taxonomy, the stronger their desire for more control over the discourse. By contrast, the Working Team preferred to have the SSP decision out in the open, or more evenly distribute cultural capital, as a means to recruit help and support from those outside the group if needed.

The debate over early or late communication to employees became less material than the impact of the timing of when Richard sent out the town hall meeting invitations. One employee recalled their uneasiness over receiving a cryptic invitation on a Friday afternoon with the subject line including "exciting announcement" for a meeting early the following Monday morning:

Well, the meeting invite, nobody knew what it meant because "exciting news," you wouldn't guess that that was going to be the announcement with the way it was phrased. It was a little suspicious that it was set up on late Friday for a Monday morning. I think it was eight-thirty and a lot of people aren't quite in the office on a Monday morning at eight-thirty . . . The meeting notice said, "We have an exciting announcement." That was sort of a different way to hear about the fact that you're being outsourced. I mean, just the word exciting was . . . maybe it could've been "important" or "impactful" or something like that. I mean, it's [SSP is] exciting for the company but the group in that meeting

were the impacted people. Anyway, that's the first time most people heard it officially.

(Employee, personal communication, October 19, 2012)

Most employees interviewed expressed their initial anxiety over the "exciting announcement" invitation. The timing of the invite being sent on a Friday afternoon and the early Monday morning meeting created a tense situation for these employees when they arrived in the office. One employee described what it was like to walk into the meeting on Monday morning: "When we got in the meeting it was a smallish room and it was standing room only so then you know it's one of 'those kinds' of announcements" (Employee, personal communication, December 14, 2012).

This type of ambiguous invitation has cultural significance at Icarus, and in many ways, is also part of its overall habitus. Employees associated previous layoffs and reorganizations with this style of executive communication:

We had one layoff a few years back [prior to the IT department reorganization discussed in Chapter Five] where we were called at eight o'clock in the morning. People who were laid off, they were told immediately and we all gathered in the hallway and we got the communication immediately. There was more lead time to [this] meeting, so I felt like it's not impacting immediate employment, but I knew it will impact [my job]. (Employee, personal communication, December 4, 2012)

This was the first time they would hear about SSP. Employees were about to learn their jobs would be affected, and this ambiguous meeting invitation style was also associated with layoffs. Many impacted employees preferred a forum other than the scripted town-hall meeting in which they first heard the SSP announcement.

As the audience settled in for the performance, there were actually two groups of members: those who would truly hear about SSP for the first time, and those who already received an unauthorized backstage preview of the material. Like select audiences for whom a movie is screened before it is widely distributed, some employees had received an exclusive preview of the town hall content in advance.

Employees who received a heads up on the announcement. In the days leading up to the first town-hall announcement, Richard, Donald, and the Working Team prepared a script for the town hall and distributed a list of speaking points and responses to possible questions to all IT executives. Executives were sworn to secrecy, and were asked to share speaking points to their respective teams only after the town hall meeting. This plan also included specific timing for the email invites to be sent to employees and how additional information regarding SSP would be disseminated to the full IT executive team. The information included a list of potential Frequently Asked Questions (FAQs) with scripted responses. This type of formal plan was the standard operating procedure for executives to control information for large announcements. These FAQs are also where executives first outlined their commitments that all impacted employees would be placed into new positions.

IT executives received explicit instructions on what to communicate and what not to communicate with employees in advance of the town hall announcement. However, Richard and Donald overlooked the routine ritual for some managers to build their social capital with employees through well-placed leaks of privileged information. As was common, some executives chose to break with the secrecy code. Most notably, some of the senior managers actually on the Working Team informed some employees in advance during individual back stage rituals. These leaders deliberately chose to informally share information and details directly

with impacted employees. One of the IT managers, who reported to a senior manager on the

Working Team (Rachel as a pseudonym), shared their story, which is reflective of how some

impacted individuals received advance information:

> Okay, so I'm sure you know, but I'll just frame up what my perspective of what
>
> happened. I had been told in advance that we would have something like this, some kind
>
> of general communication to the team, to all the impacted teams, whoever we determined
>
> as being those . . . replaced with this new partnership. But overall, I have to tell you what
>
> has really helped for me . . . is that I had talked about some of this . . . [with Rachel] a
>
> little bit in advance . . . [it] really helped me to try and talk with my team members later
>
> that day. So I had a little bit more information than just the FAQ that was handed out, but
>
> not a lot, because nobody had a lot. It was more [that] I was comfortable with saying the
>
> words, and I was comfortable with the concept . . . and so then that helped in talking with
>
> the three team members I have. (Employee, personal communication, December 12,
>
> 2012)

This particular manager felt better equipped to support their employees who first learned of SSP

during the town hall. Rachel chose to give her manager temporary membership backstage. This

personal and informal setting that Rachel created appeared to be more engaging for the manager.

The backstage ritual had a sense of exclusivity and privileged access to the recipient. The

information, and its cultural capital, appeared to be more valuable when shared in this manner,

suggesting that while the Icarus habitus emphasized consensus and transparency, how one

learned key updates was perhaps more valued than what they actually learned.

Another employee recalled the informal and personal way their senior manager from the

Working Team explained SSP and the impacts to employees. As with the previous example, the

conversation was informal. As Goffman (1959) suggested, actors may choose to adopt different "costumes" or "settings" when performing their roles. In this case, one employee recalled learning about SSP when their senior manager (pseudonym of Philip) took them for a walk in lieu of their standard status meetings in the office:

> I reported to [Philip] and [Philip] had kind of alluded to things that [Philip] was doing about alternative staffing models, and this is probably like a year ago . . . that [Icarus was] thinking differently about staffing, and I always knew that there was more work coming down the pipe than we could support. I had the sense that something was happening, but I did not have a sense of how big we were actually thinking about it. When I actually realized that, [Philip] had pulled me aside and we went for a walk, which was a little bit unusual. [Philip] just told me, "Here's what we're thinking about." It actually took about ten to fifteen minutes for me to really understand the magnitude of how we were thinking about doing this because as [Philip] was explaining I was still thinking about the project model similar to what we do with [large IT projects] where we take a large program and hand it off to a vendor versus having them take over all of the IT [software] delivery functions. (Employee, personal communication, November 7, 2012)

Insomuch as executives had a defined ritual for formally communicating announcements to employees, so did the senior managers for leaking SSP information to employees. Extending Goffman's (1959) metaphor, although the actors on the Working Team were provided (and helped author) a script of what to say, when to say it, and whom to say it to, they chose to exhibit backstage behaviors that built social capital with their employees. These senior managers

preferred something of a more democratic and informal ritual, and thus granted some employees

temporary backstage membership to the SSP dramaturgy.

The Working Team members were not the only individuals leaking information to

employees in advance of the town hall. Other IT executives, not part of the SSP inner circle, but

certainly in the know about it, were sharing information in similar informal rituals with impacted

employees. One employee recalled meeting with an executive (pseudonym of Josh):

> There was a few mentions of it [SSP]. I knew that it was being considered for the [Supply
>
> Chain] domain because there's a regular technical leadership roundtable with [Josh] on a
>
> quarterly basis. I think it must've been last spring that [Josh] mentioned that . . . there
>
> were some options out there for the roadmap for [Supply Chain] development. That was
>
> one of the options . . . outsourcing. That was a hint of it although when [Josh] mentioned
>
> it [Josh] says that, "I got a lot of challenges for that idea." It sort of sounded like it was
>
> not going to go anywhere . . . (Employee, personal conversation, October 19, 2012)

Another employee mentioned a similar conversation with Josh:

> Actually, [Josh] had hinted that one of the options was to outsource us, probably about a
>
> month before that or two months before that, so my team kind of knew that. We didn't
>
> really know what it meant. The first time I heard the term [SSP] was at [Richard's town
>
> hall] kick off. (Employee, personal conversation, November 30, 2012)

Unlike Working Team members who took the time to talk to employees individually, other

executives foreshadowed SSP in small-group meetings with managers. The setting may have

been different, but these performances were similar backstage rituals—an individual with insider

information to SSP chose to share information outside of the formal structure Richard, Donald,

and the Working Team had established. Employees who received the early and informal

communication were generally appreciative of the advance notice and appeared to acclimate more quickly than others to the changes SSP would bring. Although the motivations of Working Team members and executives who shared this information were not evident from the interviews, the IT taxonomy and power dynamics at Icarus provide some analytical insights.

Taxonomically, the senior managers were in a type of limbo, somewhere between the executives and impacted employees. This meant they also operated in a constant state of flux between their own temporary backstage membership to the CIO Staff Meeting and the front stage position they generally held outside of that setting. The Working Team had access to significant amounts of sensitive information, as they were working directly with Donald, Richard, and other SSP executives. Yet some also chose to deviate from the very communication plans they built for SSP and discussed SSP with their employees ahead of the town hall. In doing so, they gained the appreciation of their employees.

From Lincoln's perspective, senior managers' selective deviance was a type of resistance ritual (1989). They were selective with how they deviated from the communication plan, and they did so discreetly rather than risk publicly challenging Richard and Donald. Violating the Icarus taboo of going around your boss would have had consequences, the least of which would have been a loss of trust among the executives that could have led to a quasi-excommunication or revocation of their temporary backstage membership, thus cutting off access to future privileged information. That said, being forbidden to discuss SSP prior to the official proclamation of it was not part of the Icarus habitus.

As noted, temporary backstage access was a significant form of cultural capital—it was also part of the Icarus habitus as routinely practiced in the ubiquity of "statusing." Employees and executives alike thrived on having access to insider information on each other's peccadillos

as much as they wanted to know about new department initiatives. Despite Richard's perceived

success with the highly scripted town hall and FAQs, following these rules actually violated the

Icarus habitus. Employees were much more receptive to backstage performances. For the

employees who did not have this access, the messages at the town hall meeting would come as a

complete surprise.

       Employees who "never saw it coming." Employees were generally uneasy over the

email invitation from Richard on Friday afternoon and walking into the town hall meeting

Monday morning. Like awkward and self-conscious teenagers filing in for an assembly in the

gym, the apprehensive employees were unsure of what the "principal" was going to ask them to

sit through:

> We get in there, and [Richard] is an introvert anyway. [Richard] looks a little nervous,
>
> but that's normal. Everybody's looking around trying to see who's there and looking
>
> around to see who's part of the announcement, and who's hearing it and it's interesting . .
>
> . I got the idea afterwards there were people that maybe you thought they knew or maybe
>
> they would have known [more information in advance] . . . [however] they might not
>
> have been in the loop. Maybe they were supposed to be. That's some interesting stuff.
>
> (Employee, personal communication, December 14, 2012)

Another employee recalled the initial lack of clarity in Richard's messages. The extent to which

these employees absorbed the news of SSP was clearly different from those employees who

received the news informally:

> It was literally, from my perspective, it was like twenty minutes into the meeting and I
>
> saw what appeared from my judgment to be a lot of confusion. Like, "What is [Richard]
>
> saying? What does this mean?" I don't think it was until [Richard] made the comparison

to or [Richard] asked, "A question you might have is how is, 'How is this any different from [executives' exemplar firm with the failed outsourcing program]?'" My observation was light bulbs went off then like, "Oh, my gosh. We're talking about outsourcing?" (Employee, personal communication, November 7, 2012)

Some of the employees with advanced notice were not surprised, but were obliged to act surprised in the town hall; other employees were genuinely surprised because their managers were not as "good" about doling out favors. Those employees who witnessed the town hall performance for the first time had difficulty making sense of what Richard was telling them. The message received by these employees was unequal to what the other group of employees received with their brief backstage privileges.

The employees who learned the news from Richard's front stage town hall performance described feeling "stunned" and "shocked." "It was stunned silence. There were questions, but it was really quiet and it was stunned for most people" (Employee, personal communication, December 14, 2012). Another employee shared, "I think it took me about two days to get over the shock. I was like, 'all right, it is what it is, I got a job to do so I'm just going to keep doing that till they throw the boxes and say you're moving'" (Employee, personal communication, January 8, 2013). Yet another described feeling insulted by executives who asked the employees to perform "business as usual" over the coming months:

When we first heard it and everybody's going, "How does this affect me? How does it affect my project?" [Executives] kept saying, "It's business as usual." That phrase . . . it doesn't apply anymore. Your life is going to be different . . . At least to engineers, to say, "It's business as usual and that your project deadlines are going to hold and you'll most likely be the person executing on that blah, blah, blah." It's not business as usual. Your

head isn't in the same spot. It's a little bit insulting just because . . . It's almost like

they're saying, "Just do what you were doing. You're on an assembly line [in a software

factory] and keep doing that." Even though you do need to keep doing that, there are

discussions to be had, "What happens if the [vendor] is coming in mid-project?"

Basically, they're saying, "Don't worry about that. Don't worry about all those things."

(Employee, personal communication, December 14, 2012)

For executives who followed the secrecy code, their employees were devastated by the news.

The statusing and transparency norms of the Icarus habitus created de facto expectations among

employees that they would learn of this type of personal impact in a more private setting. At a

high-stakes moment when these employees had several questions about the announcement and

its impact to them, the large-group nature of the town hall inhibited employees from asking

questions. These employees immediately focused and speculated on the personal impact SSP

would have on them. Other interviewees shared the need to "update my resume" and "start

looking for a new job," although very few of these employees actually left Icarus after first

hearing the announcement in mid-2012.

Recall the manager in the previous section who received the advance information about

SSP from their senior manager, who was on the Working Team. As a result of that informal

conversation, that manager described their ability to support their team immediately after the

town hall announcement. A different manager, who did not receive advance backstage

information, described their experience of hearing the information formally and at the same time

as the rank and file employees:

It was a little bit jarring and a little bit shocking, especially for my team because typically

when things like that are announced, my team gets nervous. They expect that I would

have heard about it ahead of time so that I have all the answers for them. Usually how it goes is, "Yes, I heard about this last week. Here's all the answers to your questions." This time, everybody kind of freaked out. They're coming to me for questions, and I'm like, "You know what guys? I'm hearing about this same time you are," which really left the team feeling really unsettled, like, "Wow, they didn't even tell my manager before this happened." They got a little bit worked up by that, and that's feedback I gave [the Working Team] and the others within the SSP. It was like, "Hey, I get it, you couldn't let it out early, but for the people managing resources I think a little bit of heads up [or] having those Q&A [question and answer] or [a] forum that had questions and answers ahead of time would have been helpful." I think initially a few team members . . . well . . . I think all of them were pretty shocked by it. It's kind of like, "What does this mean for me? Am I losing my job? What's going on?" (Employee, personal communication, November 30, 2012).

Richard, Donald, and other Icarus executives had over a year to debate, decide, and acclimate to the capacity problem and Supply Chain's purported "non-differentiation" as rational reasons for SSP. Employees who did not receive advance notice heard about SSP and the impacts to their jobs, very abruptly, and for the first time in the town hall meeting. In some cases, managers and employees learned of SSP together. As the manager described above, employees expected a degree of information asymmetry with their mangers, and it reassured them they could go to their managers with questions. Culturally, they expected that their managers would have received the communication plan with frequently asked questions in advance. They also desired to have smaller group or informal conversations with their managers. These employees wanted a safer environment to express concerns they were not comfortable sharing publicly in the town hall—

they wanted their own backstage access. Instances where managers and their employees learned about SSP for the first time together were viewed as highly disruptive and a deviation from their cultural expectations.

Despite the majority of employees' initial reactions, many begin to generally support SSP throughout the latter half of 2012 as executives shared further "evidence" of the capacity problem discussed in Chapter Six. Nevertheless, Richard's ritualized and highly scripted performance of the initial town hall meeting was ineffective compared to the backstage ritual enacted by Working Team members and the small number of executives who chose to deviate from the prescribed SSP communication plan. Based on the experiences described by many employees, the town hall ritual was an ineffective and poor performance.

Dexterity with Symbols (Not)

Jackall (2010) described leaders' use of euphemistic language to create a narrative about their audience's past, present, and future in a manner their audiences wish to hear. To this extent, dialogue about facts and observations are less critical than the language used to construct the audiences' reality, which assures the audience they are involved in current events. Along this line, Icarus IT executives attempted to influence employees' perceptions of SSP as a "good thing" by avoiding the use of the "outsourcing" label, legitimizing Supply Chain development as "non-differentiating," and through the town hall. However, executives' infocentric approach to SSP contributed to their failure in each of these attempts from employees' perspectives. By overlooking what was often happening in the "fuzzy stuff that lies around the edges" (Brown and Duguid, 2000), executives exhibited clumsy rather than dexterous communication rituals.

Avoiding the "outsourcing" label. Throughout the planning and rollout of SSP, executives generally avoided the use of the word "outsourcing." To some executives, this was

viewed as a missed opportunity to educate employees about the benefit of outsourcing as a

legitimate and rational problem solving practice:

> Huge sensitivity [to the term outsourcing] at Icarus. It's not rational at times because I
>
> think it's very good for our shareholders. It's good for our [customers] and team
>
> members. We don't have to be everything to everybody, and I feel like from a technology
>
> standpoint, "outsourcing" is somehow a scary word here. I think it maybe is affiliated
>
> with cuts. [We] have a workforce with thousands upon thousands of contractors and team
>
> members [that] can be allocated in many different ways. I think . . . we missed an
>
> opportunity [with SSP] to fully educate that outsourcing is not bad . . . It's not the case at
>
> all. Having been in companies that did this effectively, you manage these vendors harder
>
> than you could possibly believe, and the results, if it's set up right, are phenomenal. You
>
> have to create that incentive structure between the two companies, and in some cases,
>
> those partners have to actually be at the CIO table. Some companies actually are. I'd say
>
> here, it's not a word or a term that anybody wants to talk about. (Executive, personal
>
> communication, July 23, 2013)

Note the emphasis on being able to control and maximize the output from IT vendors by this

executive: "you manage these vendors harder than you could possibly believe." As Jackall

(2010) suggested, leaders successful at reaching the senior levels of their organizations develop a

mastery of "dexterity with symbols." The more difficult and complex a problem is, vaguer but

elaborate the language required. Icarus executives shaped the content and form of their SSP

discourse in order to create a reality dominated by a capacity problem solvable by their GSM-

legitimized outsourcing solution. Understandably, one's view of outsourcing's benefits was most

correlated with one's position in the IT taxonomy. If you were an executive focused on

optimizing speed and cost, you clearly see outsourcing as a benefit. Executives also get access to greater amounts of economic capital by "managing vendors harder" than employees. If you were an employee impacted by SSP, you may have seen the benefits differently. If you were a contractor working in India, at the bottom of the taxonomy, you may have held a still different view.

Executives emphasized and coached their lower-level leaders to discuss "alignment with the Global Staffing Model" rather than "outsourcing" when discussing SSP with employees. Members of the Working Team viewed these not-so-subtle language differences as evidence of a larger outsourcing strategy, or at least a perceptible trend, toward more outsourcing that they suspected had been in place since the IT reorganization:

> It's been really interesting . . . [the] formal and informal [communications] started out as, "Do not say the word 'outsource.' We are not 'outsourcing' this. It is just part of our [Global Staffing Model]." People resist using the word so strongly, and we're so sensitive to it in using [Global Staffing Model] as opposed to the word "outsource" because there was a negative connotation around "outsource." Again, to me, it made a question mark of [why] we're trying so hard not to call it that. We clearly are moving in the direction [to more outsourcing] and I suspected that we were moving [this direction] three years ago [with the IT department reorganization]. (Working Team Member, personal communication, October 8, 2012)

Executives' early avoidance of the term "outsourcing" and appeal to the Global Staffing Model actually raised employee suspicions rather than pacifying fears of more outsourcing. Jackall (2010) described leaders' use of dry, vague, but elaborate and euphemistic language as a way to mask deeper issues. Often, what was not openly discussed was more important than what was. In

many ways, the Global Staffing Model could be used as a reference to legitimize any staffing strategy, outsourcing or otherwise. Had executives chosen to outsource a different function for SSP, they could have just as easily referred to the Global Staffing Model to communication that action.

The effectiveness of avoiding the term "outsourcing" in correlation to SSP outside the Working Team was minimal. Especially in smaller informal conversations, employees and their managers were more likely to be candid with one another:

> I've never been in a position where my job was the job getting outsourced. I had [said] jokingly, when I had my one-on-one (i.e. "status" in the Icarus habitus) with my boss . . . "You mean [my job is being] outsourced?" . . . He goes [*sic*], "Well, it's a 'management partnership.'". . . [Then] he goes [*sic*], "Okay, fine, it's 'outsourced,' but I'm not supposed to say that." (Employee, personal communication, January 8, 2013)

Taxonomically, front line managers and their employees had (or lacked) relatively the same amount of organizational power, which is what may have enabled a less structured or open backstage (Goffman, 1959) conversation. When there was a larger gap between taxonomy levels, the communication ritual would increase in formality and structure and be more of a front stage performance. Interestingly, the verbiage executives used to qualify the level of outsourcing on SSP left more room for interpretation in these same structured communications:

> From what they can tell us so far, they [executives] come back to us and said, "Well, it's not a 'true outsourcing' situation but it's definitely much more outsourcing than just hiring some consultants and contractors. There's a lot of details to work out as to what the capabilities even of a third party provider are in this space." The other thing, too, was even though they call it a "Managed Service Provider," in my mind, it's still an

"outsourcing" situation. Call it what you may. There's always connotations surrounding

that. I keep just calling it "outsourcing" and no one objects to it. The leadership team, so

to speak, they [say], "It's not full outsourcing," but for the most part it's definitely a type

of outsourcing. I think that just has more of a negative connotation over the IT industry

over the last twenty years. They [executives] prefer not to use that term, I think.

(Employee, personal communication, October 17, 2012)

By employing less certainty in the way they defined SSP as "outsourcing," "managed services,"

or just "aligning with the Global Staffing Model," executives hoped to leave themselves

flexibility to adjust their messaging as SSP progressed. Icarus leaders continually reframed or

relabeled problems through their political discourse in order to present their "solutions" as

legitimate and rational. This can also be tied back to the brand and flawless execution elements

of the Icarus habitus, and there was some history of this throughout the early phases of SSP.

When the initial research started in 2011, executives referred to the effort as the "Expand the

Resource Pool" project. This was followed by naming it the "Strategic Outsourcing" initiative

and later changed again to the "Strategic Staffing Program." However, given the reactions of the

employees interviewed, executives failed dexterity in this regard left employees more suspicious

than pacified.

Employees react to supply chain as non-differentiating work. Employees seemed to

generally acquiesce to support SSP over time. As extraordinary as SSP may have felt to some, it

appeared like a natural set of puzzle-solving activities to address a widely accepted capacity

problem under the new normal science of managed services agreements. Icarus operated under a

growth paradigm at the time, and SSP was the type of managed serviced agreement that other

firms in the same field could have been expected to attempt as well. That said, it seems unlikely

other firms in the same field as Icarus would look to outsource their Supply Chain software development at a time when it was mission-critical to their organization. Along these lines, most Icarus employees never wholeheartedly accepted executives' assertion of Supply Chain software development as non-differentiating. One executive related the skepticism voiced by some employees:

> So I will tell you [what] a lot of them [employees] did, the first thing they [employees] did was the first thing I did. "What, are you crazy? This is in the middle of our critical path." If you were to have came [*sic*] back and said that it was HR or Legal or something, everyone would say, "Who cares?" But because this is something that is viewed as strategic, they thought that it was crazy. The lower you went [in the IT department hierarchy], the more it became, "Well, what else are they going to give away? ...Oh, this is the first step to [more] outsourcing. We're going to outsource all of IT."

> At our level [directors and vice presidents], we didn't really have concerns with that as much, because there's too much work coming in and we know that we do not want to follow the path of [another firm's failed outsourcing program], et cetera. We know that was a fiasco. But we have to do things different, there's more work than we can handle. And so I think for most of the directors it was, "No, we get why they're doing it." . . . For the most of them, it was more of, "Really? This is the area you want to start with?" Same sort of thing I went through. When you went below the directors, you start getting into, "What's this really mean? What's the message? What's the writing on the wall? What's the hidden agenda?" (Executive, personal communication, March 20, 2013)

Employees' initial reactions to executives' decision to outsource the Supply Chain software development included both disbelief given their views of the strategic importance of their work,

and foreboding that the decision is first step to larger outsourcing of IT. In many ways, employees' questions of why executives chose to outsource Supply Chain over other functions such as HR and Finance mirrored the executives' debates. It is also notable to see the "we can do it better than anybody else" element of the Icarus habitus in this executive's comments regarding the firm whose failed outsourcing mistake IT executives vowed not to repeat.

While employees never fully accepted Supply Chain as a non-differentiated capability, some resigned themselves to the realities of executives' decision: "I think some of the people who've been around for a long time were [like], 'Really? This is [Supply Chain] man; this is really the core of what we do.' They had a hard time accepting it. I think they've gotten past that now" (Employee, personal communication, November 30, 2012). Others were stronger in their criticisms of executives' non-differentiated assessment, especially given the field Icarus was in: "I would say the majority of people are wondering why, being a strategic area, why we would have gone this way. [Supply Chain] is the backbone of every [retail] company [in the twenty-first century], and it's a strategic differentiator" (Employee, personal communication, January 7, 2013).

Employees, particularly veteran engineers, were de-motivated by executives' assertion of Supply Chain software development as a non-differentiating capability. Taxonomically, however, employees were not in a position of power to challenge executives' decision:

> I would say not everybody would look at [Supply Chain software development] as being non-differentiating. I think because non-differentiating means that you're not special and it maybe means that you're not providing extra value with the work that you've been doing for the last twenty years. Because there's a lot of people, similar to a lot of other IT groups in Icarus, that we have some real long-termers that have really given their heart

and soul into the work that they've done, and the work that they have done is truly

making things better and probably could be very innovative within the space. (Employee,

personal communication, December 3, 2012)

Although employees came to understand executives' articulation of the capacity problem, they

never accepted executives' Global Staffing Model rationale that Supply Chain software

development was a non-differentiated capability. Richard and Donald had access to higher social

capital (Bourdieu, 1983/1986) via their roles' taxonomic advantage and ability to wield the

cultural capital of the Global Staffing Model. Over reliant on data they found to be convenient,

they used the inkblot test interpretation of the GSM to legitimize outsourcing the Supply Chain

work by labeling it as "non-differentiated." This infocentric "tunnel vision" (Brown and Duguid,

2000) blinded executives to potential of externalities or future consequences caused by their

oversimplified strategy. In Jackall's terms (2010) they suffered from a "fragmentation of

consciousness" or marginalization of their ability to reflect about the future because of the

pressure to produce results. Fixated on the perceived exigency of the "capacity problem" Richard

and Donald were intent on seeing SSP through to its resolution.

Executives' self-perceived success with early communications. By the end of 2012,

executives viewed their communication and messaging with employees as highly successful.

They had first informed all impacted employees at a town hall meeting and followed that with

subsequent town halls and a monthly status report. Given the flawless execution component of

the habitus, it was not surprising that some executives attributed more success to their front stage

performances than may have been warranted:

I think it was communicated in a very thoughtful way, actually. Once the decision was

made for SSP, then like we always do, we went into highly execution mode. I think it was

done quite well. It was very, very thoughtful. Our team members felt like they knew what was going on. They felt like they had some choice. They felt like Icarus was up front. Not a lot of rumors got out ahead of time in my opinion, but people knew we were working on this type of thing. We had contractors here on everything. That tended to be the focus. (Executive, personal communication, August 24, 2013)

Keep in mind that most executives were unaware of the number of informal conversations that had transpired before the initial town hall and likely continued afterward. While employees generally felt well informed about SSP in the weeks following the town hall meeting, much of this was more likely attributed to the informal backstage conversations at lower levels of the taxonomy than the executives' more structured communication rituals.

Executives, being excluded from the backstage membership some Working Team members created with employees, held a false sense of the effectiveness of their front stage performances. It is plausible that this blind spot could have reinforced and continually recreated elements of the Icarus habitus as follows. First, executives choose to tightly control the cascade of information for SSP-like strategies that affect employees. Next, some employees or managers are occasionally granted temporary backstage membership to this work because executives need them to perform certain tasks. In turn, these employees invite other employees backstage without executives' awareness or permission. Later, executives attribute signs of success or positive feedback to their front stage performances because they are unaware others have been allowed backstage. This reinforces executives' view of highly structured front stage performances as rational and effective means to cascade information on significant organizational impacts. The cycle of perceived flawless execution continues, and the habitus recreates the habitus.

As discussed in Chapter Six, most executives and employees generally believed the capacity problem was a real and significant dilemma that SSP would solve. Richard pointed to the evidence supporting the capacity problem and the non-differentiation of Supply Chain development as "truths" that logically made sense to employees:

> Yes, I think the communication was well talked through and the [Working] Team anticipated concerns from the broader organization around, "What does it mean for how we do work going forward? Are we going to 'outsource' more? What does it mean for team members within the organization?" Again, the background around creating capacity to meet increasing demand to focus team members on differentiating work was the rationale shared. That made sense to team members. This did mean "freeing up team members" from their work on distribution and transportation and then finding alternate opportunities. That can take some time. A lot of effort went into making sure that transition was smooth and without too many concerns for team members. In [Icarus' India offices], again, a similar set of messages were shared. Similar concerns popped up but eventually the rationale was understood and people moved on. (Richard, personal communication, June 27, 2013)

It is important to understand that the information shared with employees in both the formal and informal communications rituals was relatively similar. The different conversations were not the result of different narratives about what was really going on. Working Team members held the same beliefs about the capacity problem and Supply Chain's non-differentiation as did the executives. It was the conversation settings and context that were different—informal backstage conversations tended to be dyadic versus the structured, large group performances favored by executives.

Donald held the most optimistic view of the initial town hall and subsequent formal communications' success. His perception that "employees' questions are getting smarter" may again be attributed to the executive blind spot to the unauthorized backstage rituals of the Working Team:

> It was really fun actually. Every time we've had another one at the town halls or another set of communications, their [employees'] questions are getting smarter and smarter and deeper and deeper. They're helping us think differently about what we need to accomplish. To the most, I think folks are feeling like they are a part of the dialogue and discussion and that it's not going to be a change that happens to them, it will be a change that happens with them. I think [in] the initial [town hall] session, [the employees'] . . . response was, "Gosh, it's nice that you're telling us, and in the same vein don't tell us anything until you have really good answer." We had learned through [the IT reorganization] that we weren't going to please everybody, but we decided to err on the side of more broad communication rather than holding things close until we had all the answers, because we were pretty sure we were going to need the team at some point to help us with the transition. (Donald, personal communication, March 21, 2013)

Donald noted that some employees felt executives communicated SSP too early and without as much substantive information as desired. On one hand, executives were in a dammed-if-you-do, dammed-if-you-don't quagmire when deciding how early or not to communicate to employees. Remember, that at the time of the first SSP town hall, the Working Team had yet to start the contract bidding process, and it would be another year before they awarded the business to ComTech.

Paradoxically, one of the reasons executives held the town hall as early as they did was over concerns that information would start leaking out to employees. In an effort to communicate the "truth" of what was happening and control the organizational discourse, they chose to share information before there were any definite dates or really any next steps for employees. What they did not realize is they were essentially trying to take countermeasures against the Working Team's, or others', potential backstage conversations with employees:

> I almost want to say they made the announcement too early. They made the announcement before they really knew what it was and what it was going to do. Let's face it, we are a bunch of analysts that work on detailed information and we're like . . . four, five months ago we still don't know how this is working . . . So it was announced, we got the shock value over but other than that I still don't think we really know a lot other than the political bullet points of here's what we think it's going to do and here's our timeline. Timelines are good, we know what's being worked on and when, but still not the how [it will get done]. (Employee, personal communication, January 8, 2013)

Richard and Donald had actually been working on SSP for over a year and a half by the time they held the first town hall. The fact that they had scant details to share with employees was a function of executives' lengthy decision making. Their self-perceived success with early communications mislead them into repeating this ritual throughout SSP to provide progress updates to employees. They interpreted the town hall a success because they perceived employees were well informed about SSP. In reality, employees were better informed when invited into backstage conversations with the Working Team or other executives, not the town hall. Executives were convinced of the effectiveness of their communication tactics, but in each

case they either misread what was happening around them, or employees were not entirely convinced of their authenticity.

What was not openly discussed among employees and executives was more important than what was shared at the town hall; specifically, the early signs of the anomalies to the capacity problem and Supply Chain's non-differentiation (discussed in the next chapter). This may have led Richard, Donald, and the SSP Working Team to feel pressured to publically release information to employees. In order to demonstrate some form of progress that they were indeed solving the capacity problem, they needed to place attention on the impacts to employees to divert attention from more the more polarizing anomalies. This pressure could have also caused the slow leaks of informal conversations followed by the generally ineffective information burst of the town hall.

CHAPTER EIGHT

DUELING MORAL CAREERS AND THE STRATEGIC STAFFING PROGRAM'S DEMISE

The Icarus habitus seeded the questionable but sanctioned executive behavior of giving one's apparent consensus but reserving the right to withdraw that support later—in favor of advancing one's own career. As previously discussed, nobody seemed forced to make hard decisions at the CIO staff meeting—you could get your big chance, like Richard did with the Strategic Staffing Program (SSP), but nobody was likely to be fully committed to it. As a result, the Icarus habitus produced leaders like Richard, Brenda, Donald (and me) through what Jackall (2010) pointed to as conditioned "looking up and looking around," advancement of one's career through "big-chance" stretch assignments, and forming successful alliances (particularly with one's followers whose loyalty has been built though the favors handed out by their leader).

The time period covered in this final data chapter is from 2013 into early 2014 (see Figure 6.2). This chapter begins with a discussion of Richard's and Brenda's moral careers and introduces additional Icarus IT executives (William, Brenda, and Nancy) who played critical roles in during SSPs early implementation. I continue to draw from Lincoln's (1989) taxonomy and anomaly, Bourdieu's habitus (1972/1977) and capital (1983/1986), Kuhn's paradigms (2012), Jackall's bureaucratic ethic (2010), Harvey's Abilene paradox (1988), Brown and Duguid's infocentrism (2000), and Goffman's moral career (1961) and impression management performances on front and back stages (1959).

The Moral Careers of Richard and Brenda

SSP represented a major shift in Icarus's approach to IT staffing and introduced a significant amount of disruption into Icarus's IT organization. It was also a major probationary crucible (Jackall, 2010) for Richard. One executive described Richard's drive and motivations:

I think [Richard] loves to be first. [Richard] likes to explore new things. [Richard] likes to learn. [Richard] likes to be leading the charge. I think all those characteristics wrap up to [Richard] being pretty innovative and how [Richard] thinks about things and what [Richard]'s willing to try on and the amount of risk [Richard]'s willing to take.

(Executive, personal communication, March 21, 2013)

Richard's intentions at the beginning of the program were to reassign ninety-three employees to other—presumably high differentiating—positions within the organization. Richard also expected to begin transitioning work to ComTech by the end of the 2012 and run Supply Chain software development at similar or lower costs than pre-SSP shortly thereafter. However, by the end of SSP's early implementation in late 2013, the program was entering its fourth year, it was more expensive than planned, had a shrinking pool of supporters, and was generally deemed unlikely to succeed.

Both Richard and Brenda were motivated to achieve big things. So were most of the Icarus executives—it was how they had achieved those levels of achievement in Goffman's definition of one's moral career (1961). Despite this similarity, Richard and Brenda had dramatically different styles. Richard dressed in classic business attire—suits in shades of grey, navy, and tan, while Brenda's attire was considered more modern and fashionable.

Richard was naturally introverted. Although he would not shy away from the opportunity to address the crowd at large meetings, he came across as perfunctory and was more effective in

small-group conversations. Brenda's public communication style came across as more engaging—if not slightly academic. She was known for pontificating on topics she was passionate about and for attempting to dominate smaller-group conversations with other executives. Richard could come across as cold and dry in meetings, whereas Brenda could be viewed as flashy and a tad haughty.

Richard was comfortable operating in the minutiae of his team's projects—much to their frustration. Brenda was a big-picture strategist who excelled at thinking in patterns and communicating high strategy to her peers. She knew how all of the components of the IT ecosystem fit together, but was unlikely to be as comfortable with Richard's preferred level of detail.

Both had their followers and their detractors in the organization, and both were rumored to have aspirations to someday be the CIO. For his part, Richard likely viewed a successful SSP as a significant career achievement. Brenda, on the other hand, had little to gain from SSP's success. She also had little to lose, unlike Richard, should SSP fail.

Additional Icarus IT executives. Figure 8.1 represents the Icarus IT organization chart
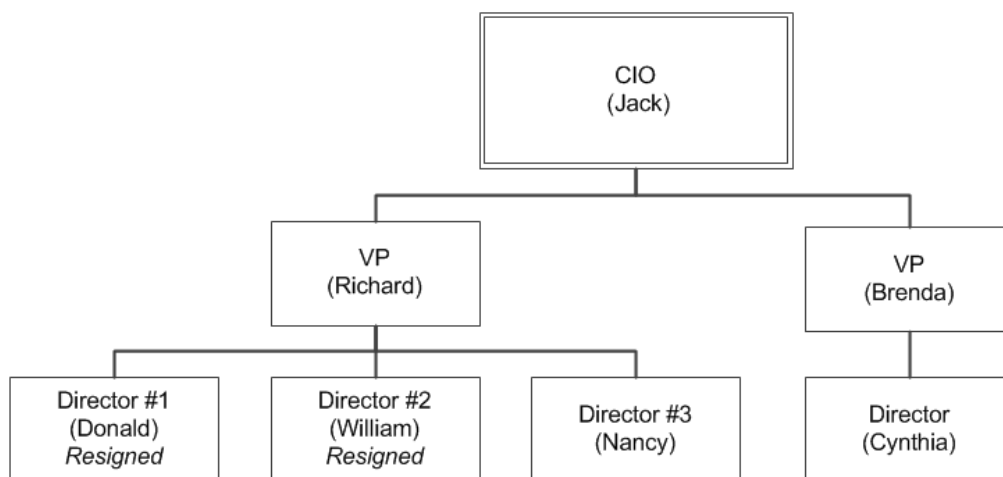

Figure 8.1. Focused Icarus IT Organizational Chart with Principal Vice Presidents and Directors

so as to highlight the specific actors who played key roles during the final phase of SSP covered in this chapter. As previously discussed, Donald reported to Richard and led the SSP program for over two and a half years before resigning from Icarus. Just before signing the SSP contract with ComTech in mid-2013, Richard replaced Donald with William, who was new to IT and had been promoted to a director role from within Icarus's Supply Chain business function. William was hired to lead SSP's implementation, however his tenure in the IT department was brief and he resigned after only eight months in his new assignment. Early in SSP's fourth year (2014), Nancy became the third director to lead the initiative. Nancy had no involvement in SSP until she was transferred to Richard's team to replace William. Cynthia was a director who reported to Richard at the beginning of SSP. However, she shared Brenda's opposition to SSP from its inception and would later report to Brenda following another revision to the IT organization discussed in the upcoming section.

Anomalies Arise

Richard initially hoped to transition work to ComTech by the end of 2012, but the Icarus decision-making culture prolonged the process. Icarus did not award the contract to ComTech until the middle of 2013, and work was not fully transitioned to ComTech until the beginning of 2014. The one-year time lag between deciding (in 2012) to outsource Supply Chain software development and awarding the SSP contract to ComTech (in 2013) was an eternity with respect to the pace of businesses in the contemporary digital retail field. This section addresses the emergence of three anomalies that threatened SSP's success from 2013 and into 2014.

The first anomaly (at least to Richard and other SSP supporters) was that Supply Chain development was in fact a "differentiating" capability for digital retailers in the twenty-first century. The second anomaly involved a demotion of sorts for SSP within the IT taxonomy. Jack

consolidated all of the Business Strategy functions under Brenda, while Richard and Donald moved to the Project Delivery Team. This effectively moved Richard from the "top row" to a "bottom row" position in the IT organizational chart at the time (see Figure 5.4), which exacerbated the tensions between Richard's and Brenda's teams. Finally, executives eventually came to the realization that Icarus was no longer doing business in a growth paradigm—following Kuhn's (2012) description of the concept. Icarus experienced a period of lower sales and reduced profits as it presumably began falling behind other competitors in the retail field. As a result, the third anomaly occurred—the expected digital tsunami of IT demand, and therefore the need for SSP, never materialized. The ground had shifted underneath Richard and his team; they were attempting with SSP to solve a two-year-old capacity problem that no longer existed.

Anomaly #1: supply chain development emerges as a differentiating capability. ComTech began onboarding contractors to Icarus and transitioning systems knowledge from its employees in the middle of 2013. At this same time, more IT executives began to challenge the notion of Supply Chain software development as non-differentiating. Here Brenda outlined the central role Supply Chain was by then playing in Icarus's overall business strategy:

> In the course of the last couple of years, as Icarus as an organization has stepped more overtly into the idea of being a multi-channel [retailer], of being an organization where we have to integrate the assets we have that are digital assets, like our dot com and our mobile properties, with our physical properties. Leveraging the [Supply Chain] has become a profound strategy of the company. It was one of the early realizations of what it meant to be successful in the [new] multi-channel [i.e. digital retailing in the early 2000's] days…and it is one of the cornerstone strategies that we've landed on for [2014], and beyond, [which] is to optimize our [Supply Chain].

What that means is [having] the ability to manage inventory back and forth, to have a customer be able to order something in one place and pick it up from another. Essentially, [we want to] leverage [all of the] inventory efficiencies and . . . customer experience opportunities that we can get out of our [Supply Chain]. Now, the agenda for the [Supply Chain] space is a pretty large agenda. It involves re-platforming our warehouse management systems across the board. It involves flexible fulfillment, which is the initiative we have to be able to order something online and fulfill it within a store and manage the inventory across those two properties. (Brenda, personal communication, August 29, 2013)

By 2013, Icarus's traditional physical store business was threatened not only by the other large rivals in their field, but also by smaller firms competing for market share via the disruptive online and mobile sales and distribution channels. This competitive threat was not entirely new, but the company-wide focus on leveraging its supply chain in innovative and differentiated ways had become thrust into the forefront of the corporation's strategies. Thus, the software development work deemed "non-differentiated" via the Global Staffing Model (GSM), and being outsourced to ComTech, was by then considered essential to the entire organization's business model. Without directly stating it, Brenda's comments highlight that the GSM was nothing more than a flawed ouija board game—it was both susceptible to the manipulations by the players of the game, and its implied logic (see Figure 6.1) was also faulty as it reflected executives' infocentric assumptions (Brown & Duguid, 2000) that managed services outsourcing would be successful at Icarus, despite the fact that it had not been so during the Phoenix Era.

Surprisingly, this, in and of itself, was not enough to knock SSP off course, but it had invited open speculation over the validity of the non-differentiated assessment of the Supply

Chain application development work. In turn, the growing number of executives who opposed

SSP used the renewed strategic importance of the Supply Chain as political ammunition to argue

against SSP. This anomaly became a growing liability for Richard and Donald. Yet, as occurs

with embattled scientific paradigms, Richard, Donald, and their team members followed the

puzzle-solving rules among a current paradigm's adherents (Kuhn, 2012). The anomalies they

encountered were initially discounted, ignored, or set aside for later resolution.

However, unlike a scientific paradigm such as global warming, in which scientists argue

climate changes have been taking place over numerous decades, the executives' change in

perception of Supply Chain's differentiating happened swiftly. Some executives were more

direct and acknowledged stark differences in Supply Chain's importance as a competitive

advantage to the organization by this point in time:

> Quite frankly, our priorities in [Supply Chain] have changed dramatically which is going
>
> to introduce yet another set of challenges I think. Just in terms of eighteen months ago, or
>
> even twelve months ago, we were still viewing [Supply Chain] largely as a commodity
>
> that we wanted to just find a way to run as efficiently as possible. (Executive, personal
>
> communication, March 13, 2013)

Brenda added her dissenting opinion:

> I think the core premise of [Supply Chain software development] being one of those
>
> places that just maintenance of it is the focus and the energy is not quite the core
>
> assumption anymore. I think it's a strategic asset. We'll find ourselves in the spot, again
>
> [my] opinion only, that we're headed down the [managed services] path for a core
>
> capability of the organization, which is typically not what I perceived to be where IT goes

and does [managed services] partnerships. (Brenda, personal communication, August 29,

2013)

The division of perspectives that emerged over the Supply Chain's differentiation became a

significant point of friction among executives. The debate over whether Supply Chain had

become differentiating highlighted the importance of recognizing anomalies in any endeavor.

Recall from Chapter Six, that viewing Supply Chain as non-differentiated never really made

sense nor had any supporting data. In hindsight, Supply Chain had always been differentiating

and critical to Icarus. Yet IT executives were convinced of the capacity problem, but were

restricted from adding additional employees to increase their "software factory's" output. Their

cultural thinking led to the creation of the Global Staffing Model and the faked consensus that

outsourcing "non-differentiated" work would create capacity. Unclear and protracted decision-

making combined with Richard's "big chance" led to the IT executives' leap from the infocentric

Global Staffing Model to the creation of the ill-fated Strategic Staffing Program.

Anomaly #2: the strategic staffing program's organizational chart demotion. As SSP

was ending its Solution Development phase, Jack consolidated the Business Strategy Teams

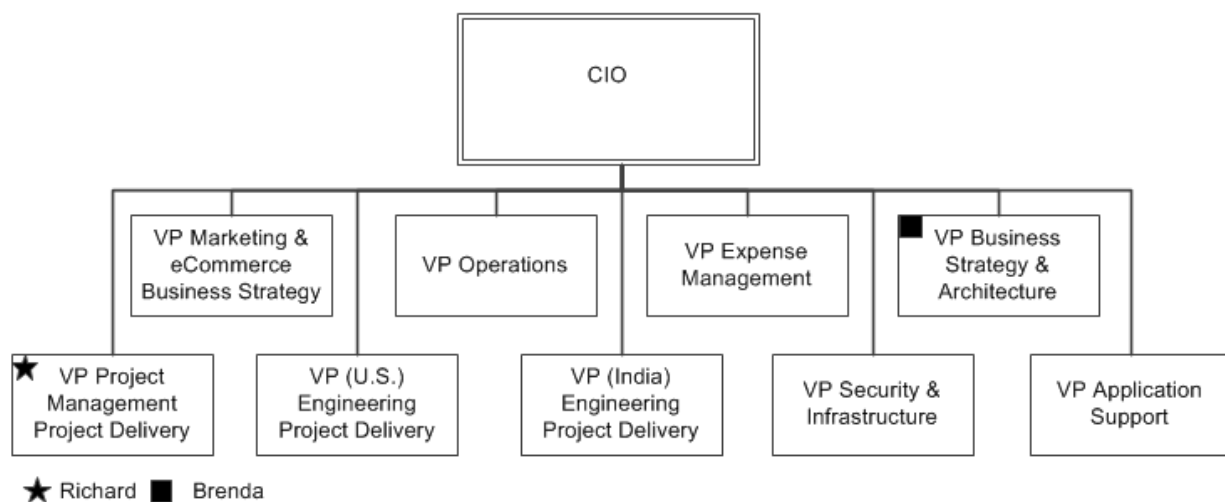previously lead by separate vice presidents under Brenda. Figure 8.2 reflects the revised

Figure 8.2. Icarus IT Executive Organizational Chart Post-SSP Demotion

executive organizational structure at the beginning of 2013. As with the previous organizational

charts discussed in Chapter Five, the "top row" positions in Figure 8.2 were considered more

powerful compared to those on the "bottom row." There were five key shifts in executives'

responsibilities in this revision to the IT organizational structure. First, my boss (Shelly) became

a direct report to Jack leading the IT Operations function[4]. Second, the former vice president for

the Project Management function moved to a special "top row" assignment to focus on Icarus's

growing expense management concerns[5]. Third, the former vice president of the Stores Business

Strategy was assigned to lead the Application Support function that had been split off from the

vice president of Security and Infrastructure[6]. Fourth, all of the former "top row" Business

Strategy responsibilities were consolidated under Brenda, which included the former vice

president of the HQ Systems Business Strategy[7]. Finally, Richard moved down to the "bottom

row" to take over the Project Management function responsibilities vacated by the vice president

assigned to the "top row" expense management assignment[8].

Prior to this organizational revision, Richard and Brenda had enjoyed equal taxonomical

power and footing, although Brenda had achieved an upward momentum that catapulted her

---

[4] Shelly had previously reported directly to Brenda as part of the "top row" IT Strategy, Architecture, & Operations team (see Figure 5.2, p. 74). I continued to report to Shelly, and my team remained in the "top row" of the revised organization chart.

[5] This vice president moved from the former "bottom row" (see Figure 5.2, p. 74) to the "top row" in the new organizational chart. No employees reported to this vice president in the new Expense Management assignment.

[6] This vice president moved from the "top row" Stores Business Strategy team (see Figure 5.2, p. 74) to the new "bottom row" Application Support team.

[7] All of the directors who had previously reported to the former "top row" vice presidents (see Figure 5.2, p. 74) were moved under Brenda in the new "top row" Business Strategy & Architecture team. Additionally, the vice president of the former "top row" HQ Systems Business Strategy team remained in the "top row" but reported to Brenda versus directly to the CIO in the revised organization chart.

[8] In moving to the new "bottom row" Project Delivery team, Richard no longer had the same responsibilities as when he led the former "top row" Merchandising and Supply Chain Business Strategy team (see Figure 5.2, p. 74). However, he did retain responsibilities for leading SSP.

from the "bottom row" during the previous IT department reorganization discussed in Chapter

Five. During the revision in early 2013, however, Richard moved from up in the Business

Strategy Team to down in the taxonomically less powerful Project Delivery Team. The rationale

for this move was not definitively stated, but may have been done in order to add additional

leadership to Project Delivery teams viewed as being less efficient than desired.

Meanwhile, the Business Strategy Teams were consolidated under Brenda. Cynthia now

reported to Brenda and held Richard's previous Business Strategy responsibilities. This so-called

"revision" to the IT organization had a dramatic impact on the department's power structure and

on SSP:

> I don't know that we—several of us, at least a fair number—would still be pushing to do
>
> SSP somewhere. Whether we would've landed on [Supply Chain] or not, I don't know. I
>
> think [Cynthia] has now got [*sic*] the role that [Richard] had, and she feels differently
>
> about it. I don't know that she would've signed up for doing it had she been in
>
> [Richard's] role at the time. Had I known more [about how Supply Chain would become
>
> critical to Icarus's strategies] and had we not gone there, I probably would've pushed
>
> harder to do one of my areas . . . but I still think we'd have done SSP. I think that it
>
> might've been a different area. (Executive, personal communication, September 10,
>
> 2013)

Richard had the capital to legitimize Supply Chain Development as non-differentiated when he

was in the Business Strategy Team. Taxonomically and culturally, Cynthia and Brenda were now

in the positions that possessed these quasi-decision rights. However, Richard retained his

sponsorship of SSP. Despite the Supply Chain's newfound strategic importance, if not downright

"differentiation," Richard, with Jack's support, still maintained the need to solve the capacity

problem by outsourcing Supply Chain software development. As Kuhn (2012) noted, longstanding paradigms with assumed high degrees of precision resist the changes suggested by anomalies and can cause crises leading to new discovery and changes to the paradigms. The growth paradigm and general Icarus habitus still had Jack, Richard, and SSP's remaining supporters convinced they were on the right course of action.

Richard's retained sponsorship for SSP represented a type of taxonomical anomaly to the new IT department power structure in Lincoln's (1989) usage of the concept. Metaphorically, the revised IT organization chart indicated that the Business Strategy Team was the head that directed the body of the Project Delivery Team. With SSP's organizational chart demotion, the body was now leading the head. Although Brenda had taken part in all the SSP conversations and decisions at the CIO Staff Meetings, she had not played an active role in the program up to this point. After assuming responsibility for all of the Business Strategy work, Brenda and Cynthia inherited quasi-accountability for SSP's success without gaining any ownership of the program. Thus, ownership of the SSP strategy became a type of objectified cultural capital (Bourdieu, 1983/1986) that Richard and Brenda were dueling over, which exacerbated their underlying conflicts with each other.

For her part, Brenda framed her growing resistance to SSP as having less to do with trying to assume outright ownership of SSP and more with responding to the first anomaly of Supply Chain's new importance and strategic differentiation. Brenda also recalled and expressed frustrations with executives' decision-making rituals explored in the previous chapter:

I don't know that we could have blown the whistle [any earlier] and redirected our pilot to another place. I actually think we tried early, and I think there's a statement about how we make decisions as a CIO team embedded in that because frankly we could have,

right? We were not too far down the [SSP] path at the point that we first raised the issue

of, "Now we're about to [outsource] a strategic business capability, and do we want to do

that?" We could have done that. Even as recently as two months ago, we could have

changed the approach we were taking with our partner and given ourselves a bit more

latitude on stepping into it. We could have done a "build to run" contract instead of a full

[managed services] contract.

My sense is that there were people involved in this program that, Goddamn it,

knew what they wanted to do, and they were going to do it that way, in that full [managed

services agreement] way . . . A question that I think I'd be asking if I were in your chair

is, "Who is driving SSP?" In the end, "Who is the most senior person that is driving this,

and the direction and the decision and the strategy?" [David Johanek: What does that

look like to you?] It's [Richard]. [David Johanek: Unequivocally?] Unequivocally, yes.

[Brenda, personal communication, August 29, 2013)

Brenda's reference to a "build to run" contract is a nod to the type of agreement she previously

used with a different vendor on a large, multi-year program for a defined scope of applications.

The vendor team in this case had expertise integrating specific applications with Icarus's legacy

systems. Under that "build to run" agreement, Icarus engineers worked side-by-side the vendor

team. Once that development work was completed, Icarus retained a smaller vendor team for

ongoing systems support; however, and unlike SSP, most of the development work continued to

be directly managed by Icarus engineers. Furthermore, the vendor was not guaranteed any future

development work on those applications. Conversely, SSP's scope essentially guaranteed

ComTech all of the Supply Chain development work that received funding over the term of their

contract.

As reviewed in the previous chapter, some executives described how momentum and unclear decision rights influenced many SSP decisions at the CIO Staff Meeting. While this was concerning for Brenda, she was clearly vexed by the influence Richard's moral career aspirations had on SSP's trajectory. Hence the "Goddamn it, knew what they wanted to do...," comment. Richard got his big chance for SSP as a result of the initial capacity problem, skillfully manipulating the GSM ouija board, and maintaining support from the CIO and his followers. Brenda continued to challenge Richard and the viability of SSP as the capacity problem showed serious signs of disappearing, which created an opening for other executives to fully withdraw their support for SSP.

Anomaly #3: the capacity problem fades away. The capacity problem was the foundational reason for starting SSP. IT executives legitimized the problem given their forecast for increased work stemming from business demand and Icarus's year-over-year sales growth. However, Icarus experienced weaker than expected sales as SSP progressed throughout 2013. The once anticipated demand for IT work was by then in doubt as Icarus's poorer financial performance drove executives to focus on expense management as a top priority. While there were hundreds of unfilled employee roles at SSP's onset in 2011, only a few dozen remained by 2013. Executives who had committed to place impacted employees into new positions now began to feel concerned about their ability to honor this obligation:

We just had such changes in our staffing dynamic at Icarus from when we started this. We had two hundred fifty open positions. [We] couldn't keep up when this started which made it [SSP] really, really appealing. What's interesting from an organizational perspective is now we don't have enough open positions to absorb this because people aren't moving, which is really weird. So I'm sure it makes people inside take pause [and

ask], "Should we just stop?" ...[the] lack of opens [unfilled employee jobs] right now sort

of creates a pressure point in the conversation I think. (Executive, personal

communication, August 1, 2013)

Executives recognized that the capacity problem had in effect passed, and also began to grapple

with a shift from a long-held growth paradigm to an expense management paradigm.

Nevertheless, SSP continued due in part to Richard's continued ability to maintain Jack's support

and vital social capital (Bourdieu, 1983/1986). Another factor keeping SSP on life support could

have been the political necessity for Richard and his supporters to keep the program moving

forward. There appeared to be no graceful exit or way to stop the project, and to do so would

have been devastating to Richard's moral career (Goffman, 1961).

Executives lacked a shared set of success measures for SSP. Some predicted SSP would

save money; others claimed it would cost more. However, virtually everyone seemed to agree

that the capacity problem that drove the creation of SSP no longer existed. In some ways, like a

computer glitch that seems to no longer exist, the capacity problem "worked itself out." The

digital tsunami of expected IT work did not materialize. Furthermore, Icarus had been able to fill

most of their open IT positions at a rate faster than their attrition. Yet Richard moved SSP

forward with full speed and Jack's full support. Executives struggled to keep impacted

employees engaged while knowing there were more employees waiting for new assignments

than open positions available:

We don't have a place for them [impacted employees], and our message is, "We're

working on it. We understand it. We're working on it," which does not really resonate

very well with them. Their confidence in us is pretty low. I cannot argue about [needing

additional] capacity [via outsourcing]. I can't make that claim and I won't make that

claim, it's not true. We could try to pitch the need to bring on the expertise, but that

doesn't really warrant this approach. Honestly, it falls really flat when people ask that

question because there isn't a strong [answer]...the reasons we did it [SSP] initially made

sense at the time. Today there's a lot of things that are very different. (Executive,

personal communication, August 10, 2013)

In 2012, executives committed to placing all impacted employees in new positions. By 2013,

executives found themselves stuck, in a sense, with an obligation made under a different

paradigm (Kuhn, 2012), and one they were unsure if they could keep. Executives faced the

competing challenges of maintaining their credibility with employees and the reality that they

now had more employees than open positions in the midst of an expense crisis. Employees were

also keenly aware of this dilemma.

  Employees fear layoffs. During early 2013, executives had yet to award the SSP contract

to ComTech, but rumors of imminent layoffs began among employees. During 2011 and 2012,

the IT department averaged between one hundred and two hundred open positions at any given

time. By 2013, this average was closer to a few dozen. Seeing fewer job openings, employees

realized the challenges facing them to find new positions. Additionally, employees perceived a

lack of visible or active involvement from Human Resources in directly helping them find new

positions:

  If they [HR] know that SSP is coming, you'd think they'd [HR] be all over it [helping

  employees find new jobs], so either they [HR] are secretly preparing for a layoff, or they

  don't believe that SSP is going to happen, or they [HR] honestly think it'll just take care of

  itself. It's got to be one of those three because if they really did feel that this is going to

happen they'd be all over it. My cynical American half would say they're probably

preparing for a layoff. . . .

To put a bit more positive spin on it, they're probably hoping that there will be

enough transition time that they can guide people into other positions. . . They're hoping

they can move them off [to other teams], but . . . in the end, not everybody is going to be

able to find a position elsewhere. They probably know that at the end of the day their most

difficult task is to manage a layoff and they're hoping that it will be one, two, or three

people rather than one hundred, two hundred, or three hundred people. (Employee,

personal communication, December 27, 2012)

Some employees believed there would be layoffs because executives continued to implement

SSP. Icarus's less-than-stellar financial performance at this time had already triggered a number

of rumors and speculation about layoffs. Continuing with SSP despite the by then questionable

legitimacy of its two fundamental premises—the capacity problem and Supply Chain software

development's non-differentiation—added further fuel to employees' layoff speculations.

Several employees discussed broader messages and social cues they started to hear from

executives about the need for employees to "continue to raise the bar" as a sign of potential

layoffs. As discussed in Chapter Seven, these types of messages were another example

executives' attempted "symbol dexterity" al a Jackall (2010) and quasi-backstage (Goffman,

1959) sharing of privileged information:

I know that when we are going to have something very large happen, specific messages are

sent out [by] leaders who talk about it like this . . . , "You should always 'maintain a

healthy network' outside of Icarus. It's never a bad idea to 'have enough data in your

resume.' It's [a] really 'soft sales environment' and 'the bar continues to get raised' and so

people that aren't able 'to continue to move along' and aren't able to really 'raise the bar on

their performance' are going to get left behind." It's standard messaging in itself. If you

heard it one time in a casual setting, you wouldn't think too much about it (laughing). I get

it. (Employee, personal communication, September 3, 2013)

Unbeknownst to employees at the time, by mid-2013, as ComTech was awarded the SSP

contract, Icarus executives began preparing for corporate-wide downsizing. Employees did not

have direct knowledge of this activity, but it was evident that some information on this activity

was beginning to leak out of the executive team or employees were inferring this based on their

general observations. I did have knowledge of some of this activity given my position in the

organization. At that time, I had no knowledge of any impacts to employees as a result of SSP.

ComTech Crashes and Burns against the Icarus Habitus and Moral Careers

The general acknowledgement of Supply Chain software development as a differentiating

capability for digital retailing, in addition to Richard's taxonomic demotion and the evaporation

of the capacity problem substantially increased many IT executives' and employees' resistance

to the Strategic Staffing Program (SSP). But in pugilistic parlance, SSP was "down but not out."

As Richard and Donald (with the support of my team) got closer to awarding the contract to

ComTech, some executives privately predicted SSPs failure, and Brenda attempted to torpedo

SSP through multiple back stage escalations with Richard, Shelly (my boss), and Jack.

Jackall (2010) suggested that managers in today's bureaucratic organizations develop

their personal ethics, decision-making preferences, and their sense of how the world works based

upon the "organizational rules in use" by their superiors. Brenda's thinly veiled frustrations with

Richard following the IT department revision set the stage for conflicts between their respective

employees, who generally based their resistance or support for SSP upon which of these executives they worked for.

Brenda's backstage resistance campaign. Some executives voiced their doubts about SSP's viability based upon their sense of a lack of executive alignment on which function they should have outsourced: "The inception was half-baked to begin with, because we really couldn't define what is it that we wanted to give away" (Executive, personal communication, June 21, 2013). Others were more direct: "I think if you were to get honest opinions from everybody in terms of whether they think it'll be successful, I think there's a fair amount of us that don't believe it'll be successful" (Executive, personal communication, August 3, 2013). For her part, rather than engaging in visible or public debates, Brenda organized meetings on a few different occasions among Jack, Richard, Shelly, and herself to attempt to steer SSP's focus away from pursuing a managed services agreement for all Supply Chain development:

> That was a question that my team, my set of directors, many of my directors have challenged me on, and in turn, then I have taken to [Jack] and [Richard] and challenged them on is, "Is this still the right place for us to pilot SSP?" Remembering that the purpose of the pilot was to understand how [Icarus] and how IT in particular would operate in a full SSP model, and get it grooved in, and get it figured out, and get it to a spot where we could then extend it into other places. Did we truly want to pilot SSP in what is arguably becoming now one of the most strategic business capabilities for the next few years for [Icarus]?

> On four different occasions I have raised a concern to [Jack], and [Jack] has responded by bringing [Richard] and [Shelly] and me into a room and having the conversation. [Richard] and [Shelly] are not as concerned about it. They feel that we are

well down the path and shouldn't—this is my assessment, they can speak for

themselves—but they feel that we are way down the path, and that we have opportunity

and time to work it through. I have suggested the first couple of times in those meetings

that rather than thinking about this as a [managed services outsourcing] conversation...my

suggestion was let's pivot our thinking. Let's hire us a build-to-run partner. Let's go out

into the market talking about hiring a partner to help us build this new platform, much

like we hired [a different IT vendor] to help us build [an international expansion project]

but having an overt opportunity to turn that into a full SSP. (Brenda, personal

communication, August 29, 2013)

As discussed in the previous section, Brenda advocated for a different (build to run) type of

agreement for SSP given Supply Chain's emergence as a strategic differentiator. The engineers

in Brenda's example had greater incentive to share their knowledge with the vendor—and even

learn from the contractor engineers—versus the scenario that played out with SSP and ComTech.

Brenda also revealed her different expectations for SSP as a pilot versus a definite managed

services agreement. Running SSP as a pilot would have implied executives' ability and

willingness to start with a perhaps smaller approach than outsourcing all Supply Chain software

development. A pilot mentality would have also suggested reversing course or shutting SSP

down after an early implementation as acceptable options. In hindsight, either or both of

Brenda's suggestions were likely to have led to better outcomes for Icarus. The "build to run"

approach may have helped Icarus accelerate it's—by that time—strategic and "differentiating"

Supply Chain strategies. Furthermore, a pilot approach from the onset may have given Richard

and SSP's supporters a politically "safe" way to end SSP versus reinforcing their commitment to

the doomed project.

Brenda's backstage (Goffman, 1959) resistance yielded merely semantic debates over SSP's status as a pilot and Supply Chain as a strategic capability versus any change of direction to SSP. With Jack still supporting Richard and SSP, Brenda, and therefore her entire team, lacked the social capital to block SSP from proceeding. As a consequence, Brenda's attempts to change SSP's course failed.

In retrospect, Brenda appeared to have justifiable concerns over SSP within the broader context of the digital retailing field and Icarus's corporate strategies at the time. However, Brenda's resistance to SSP and her conflicts with Richard were frowned upon by some of her peers. These executives viewed the backstage conversations as being in poor form and in violation of an expected degree of loyalty among the CIO Staff Meeting cohort:

> There's a lot of back channel opinions about it [SSP], yeah. I don't know if [it is] fairly typical. It happens on occasion, right, and I always try to say, "Look, its two toots and salute." You wait; you put all your opinions on the table in the [CIO Staff Meeting] forum. We made a decision to go forward. For you to be commiserating with your directors who don't agree with [Richard] is unfair. Your first team is the CIO team table and we made a decision together. You damn well better stick with it. (Executive, personal communication, September 10, 2013)

This executive highlights the symptoms of an organization that is dealing with the Abilene Paradox (Harvey, 1988). Executive's disagreements over SSP at this point were not being addressed in the CIO Staff Meeting. Rather, Brenda, Cynthia, and other opponents of the strategy at this point were privately commiserating with each other over their view of Richard's and Jack's wrongheadedness toward SSP given the anomalies that had surfaced in 2013. Nevertheless, between Jack's continued support for Richard and SSP and her peers' disapproval

of the backstage resistance, Brenda lacked any real leverage or means to influence or redirect SSP.

Cynthia shared the same frustrations as Brenda. Here she described the "Abilene-type" of backstage commiserating that was rampant at the time, which prompted Brenda's repeated backstage escalations to Jack:

I've raised it as a concern. I think what's interesting on this, there's a lot of people on a lot of levels in the organization that seem to be wanting to have [some] kind of side or hallway conversations about it, and I'm not sure . . . I'm not sure as many of those folks are raising the same kind of questions and concerns up through their leaders and in public forums. This is starting to take on a little bit of an aura as, "Don't touch it." I can tell you personally, when I very publicly challenged it several months ago and pushed on it, I had a great, engaging conversation with my boss [Brenda] about it, [and I] asked [Brenda] to help me push it, and raise some concerns that I shared earlier. [Brenda] took it to [Jack], and came back to me and said, "Let it go. It's just something we're just going to do, and we're just going to have to figure out how to make it work." I would imagine there is a little bit of that going on. I anticipate that people feel like they've already made a commitment to this and to the results. I think that's unfortunate. (Cynthia, personal communication, March 3, 2013)

The friction between executives reached its peak. Despite Brenda's council to Cynthia to "let it go" following the failed escalations to Jack, Cynthia continued to challenge Jack, Richard, and Donald by maintaining a quasi-campaign of backstage resistance:

What I will share is of my circle, the people that I interact most frequently with, which is my peers in [the Business Strategy Team], as well as [other executives]. I don't think that

anybody believes that continuing [SSP] is or was the right decision. I know that there's

been discussion at the [CIO Staff Meeting] about it. I'm not part of those discussions. It's

become comical the way this thing's spun out of control. Like I said, there's a pretty long

list of things, that expectations are not very well aligned. That's where, to my earlier

point, I think we're starting to see a little bit of divisiveness within our own team. I've

had business partners openly question whether or not IT actually has the skills or not to

lead through this transition. Not even to execute it once we're done, but to lead through

the transition. (Cynthia, personal communication, August 10, 2013)

The backstage friction between executives created a contentious environment by the middle of

2013. This was a critical time for SSP, as Richard had signed the agreement with ComTech, who

had begun to onboard their team. Within a couple months of the contract signing, ComTech had

nearly two hundred employees working at Icarus. Richard had removed Donald by this time

(perhaps as a token response to the mounting resistance to SSP). William joined the IT

department to lead SSP and the transition of work to ComTech. However, the battle would spill

over from the backstage to the front stage as the followers in Richard's and Brenda's teams had

numerous confrontations over SSP and ComTech.

The business strategy team's front stage resistance. Mirroring Brenda's resistance to

Richard and the overall direction of SSP, Cynthia's Business Strategy Team withdrew any

support they had for SSP following the organizational revision in 2013. This resistance played

out across the director and senior manager levels of Richard's and Brenda's teams. Despite the

backstage nature of Richard's and Brenda's conflicts, their skirmishes were widely known.

Given the socializing element of the Icarus habitus and the expectation that leaders shared

privileged information with their rising stars, this fact was not surprising. Nevertheless, the

senior managers on the Working Team were especially disappointed by both Richard's and Brenda's behaviors:

> I think it's interesting from an IT perspective, that our senior leadership [i.e. executives] has probably been the most disappointing component where our team [employees impacted by SSP] has been the most [supportive.] [Employees have been] almost overwhelming with [their] support, which was not what I would have expected. You have been able to see very clearly the areas where you clearly do not have VP [vice president] alignment because that trickles down just about to the senior manager level and then you almost see it starting to fade. It's very clear at the VP [level]. It's very clear at the director [level]. You can see it at the senior manager [level] but then once you get into the manager [level], it's almost like it fades away and those teams are supportive. (Working Team Member, personal communication, August 19, 2013)

At the start of SSP, the Working Team anticipated resistance from impacted employees. Considering the impact to employees' jobs and the unknown timing on placement in new roles, the Working Team was surprised when this level of employee resistance did not materialize. The Working Team was further surprised and disappointed by the active and front stage resistance from the Business Strategy Team.

Unlike Richard's and Brenda's clashes, the conflicts between Donald and Cynthia (and later William and Cynthia) played out as theatrical, front stage performances (Goffman, 1959). The revision to the IT organization shifted responsibilities between several executives, and Richard's continued leadership of SSP from "down" in the Project Delivery team added to the tinderbox of friction between Donald and Cynthia:

So you have [Cynthia] and [Donald] right, that were knocking heads and [Cynthia] saying, "For everything else [other than SSP], this is my strategy. This is what we're doing. Just go deliver, will you?" in a pretty belittling manner, right? "[Project] Delivery, you are second class citizens. Just go. You don't get to 'sit at the table.'" I think this was an opportunity for [Donald] to say, "Hold on here. I own this. You go 'sit at the end of the table' because this one's mine." (Working Team Member, personal communication September 3, 2013)

This same Working Team Member described similar tension between Cynthia and William who replaced Donald shortly after Richard signed the SSP contract with ComTech in mid-2013:

I'd say they're not as contentious, but the respect is not there. You can clearly see with [William] coming in…you can see with the way that they interact, there's not a high level of respect. [Cynthia] doesn't have a high level of respect for [William]. [William] will push on her…[Donald] did it from a let me jab and I'm going to get you back. It's not like that. [William] doesn't, he doesn't behave like that. But I think where you get that, you get the lines, right? "Oh, [the Business Strategy Team] is superior." You could see it. I mean, you can see it with [William], there is no question that there is a line there. (Working Team Member, personal communication September 3, 2013)

Cynthia's direct clashes with Donald and William prompted a coalition among other resistors, including her direct reports, to follow her "organizational rules in use" a la Jackall (2010). These taxonomical alliances created an "us-against-them" mentality with Brenda, Cynthia, and Cynthia's senior managers on one side, and Richard, Donald, William, and the Working Team on the other. Cynthia's senior managers were so emboldened by witnessing Cynthia's

performances that they actively practiced their own front stage resistance by not attending

meetings with the Working Team:

> [It is] pretty frustrating, because [it is] like, "Really, you guys [the Business Strategy
>
> Team] aren't on board yet?" And their way of dealing with that early on was to just not
>
> be part of the meetings. So they would not come to the meetings, and because they
>
> weren't involved, they thought that meant that they would have a voice later on. I think
>
> then that realization was, "No, your lack of participation doesn't mean that we are
>
> waiting for you to weigh in. That meant you agreed [or supported SSP by default]"
>
> (Working Team Member, personal communication, August 19, 2013)

Cynthia and her senior managers tended to parrot and amplify Brenda's disagreements with

Richard, while employees lower in the taxonomy remained much more amicable and behaved in

line with the generally practiced collaborative element of the Icarus habitus. This suggested that

executives' behaviors at higher levels tended to cascade and manifest throughout the lower

branches of the taxonomy only up to a certain point. The type of front stage resistance displayed

would not have been tolerated had employees acted this way independently. For their part,

Brenda and Richard remained out of the public fray. Like two battling armies, the troops clashed

on the front lines while the generals directed their forces from the rear and engaged in less

visible, backstage warfare.

The beginning of the end. In mid-2013, ComTech contractors began the process of

knowledge transfer by reviewing formal process documentation, application specifications, and

computer code. Additionally, they spent considerable time meeting and interviewing impacted

Icarus employees to get up to speed on the work they needed to perform. In addition to taking

over the Supply Chain software engineering, which many Icarus executives by then considered

critical and differentiated, ComTech started their formal work with Icarus amidst a political

spectacle that stemmed from Richard's and Brenda's differences. The demotion of SSP within

the IT organization created an anomaly (Kuhn, 2012) that disrupted established taxonomic power

structures (Lincoln, 1989) and led to Brenda's failed attempts to intervene via backstage

(Goffman, 1959) escalations to Jack. Individuals either supported or resisted SSP depending

upon if they were members of Richard's or Brenda's team. This context would prove to be an

additive challenge for ComTech during the early implementation phase given vendors' general

role in the overall Icarus IT taxonomy and habitus (Bourdieu, 1972/1977), first discussed in

Chapter Five.

By the time Richard signed the SSP contract with ComTech in mid-2013, the program

was in its third year and had yet to deliver any evident benefits. Although ComTech had little

prior experience with Icarus, Richard pressed to transition work as quickly as possible. For their

part, ComTech possessed limited access to social or cultural capital (Bourdieu, 1983/1986)

beyond support from Richard, which was on uncertain footing given the anomalies to SSP and

persistent resistance from Brenda and much of her Business Strategy Team.

As Brown and Duguid (2000) suggested is the case with knowledge workers, Icarus

employees learned both the processes for working in the IT environment and appropriate day-to-

day cultural practices to perform their jobs through years of hands on experience in quasi-

apprenticeships with tenured IT workers. In most cases, this knowledge was undocumented and

not formally codified, making it difficult for both Icarus and ComTech to know with any

certainty that comprehensive knowledge transition had actually taken place. Furthermore,

ComTech employees recognized the risks of assuming the finality of transitioning years of

undocumented knowledge in a matter of weeks and months. Despite access to substantial

information on the Supply Chain applications, ComTech's employees lacked the needed time

and "on the ground" experiences to transform that "know of" into practical "know how" (in

Brown and Duguid's terms) during their early onboarding. One Icarus engineer discussed

ComTech contractors' obstacles:

> The biggest immediate term challenge I think is just transitioning all of that knowledge
>
> on those legacy applications, because what I'm finding with all of the multi-channel stuff
>
> [i.e. digital retailing] is I'm having some pretty complex questions about specific legacy
>
> applications. One dumb little thing in a legacy application could drive the whole direction
>
> of where a project or idea is going. So sometimes it takes a bit to tease that out of a BA
>
> [Business Analyst] or an engineer.
>
> Here's really what I'm getting at. I can't imagine being able to tease that kind of
>
> information out of someone who just started learning [legacy Supply Chain applications]
>
> two months ago. There are going to be moments when questions will need to be answered
>
> about applications and the [ComTech] resources aren't going to be the one to ask. It's
>
> going to be an Icarus resource, and those people, after October, November, December of
>
> this year, are going to be located potentially even in other pyramids [Icarus departments],
>
> and so how do you easily get on their radar screen? (Employee, personal communication,
>
> August 30, 2013)

Prior to and during the Phoenix Era, Icarus and TechStaff employees had built and learned the

informal and tacit knowledge of how these applications worked. They made sense of and used

that knowledge over a number of years by working in quasi-apprenticeships with more

experienced engineers. The legacy Supply Chain applications were built or implemented five,

ten, or even fifteen years or more in the past. Many of these applications were still in use and had

undergone significant incremental change and customization following their initial creation. Even one member of the SSP Working Team in charge of implementing the new interaction model (first mentioned in Chapter Six) noted that Richard's expectation for ComTech engineers to become as effective as existing Icarus and TechStaff engineers over a few months was untenable: "Would you expect a team member to come in and in three weeks and understand everything about your portfolio, tell you how they were going to run it, when they would do it, and how fast they would do it?" (Working Team Member, personal communication, August 19, 2013).

Although Richard's performance expectations of vendors may seem unrealistic, they were culturally acceptable at Icarus. One executive alluded to these expectations in Chapter Seven, noting, "You manage these vendors harder than you could possibly believe, and the results, if it's set up right, are phenomenal" (Executive, personal communication, July 23, 2013). This reflected executives' commonly transactional view toward vendor relationships as opposed to the accountability they demonstrated toward their employees. Within the Icarus habitus, employees and executives viewed vendors as a form of economic capital (Bourdieu, 1983/1986). However, by the time ComTech's contractors were starting to work on the SSP contract, many employees and executives had built up defensive views against any vendor taking over the Supply Chain development work. There was a general tendency among Icarus employees and executives who did not support SSP to try to catch ComTech doing something wrong almost immediately. Another Working Team member observed how some Icarus executives and employees were holding ComTech's engineers to a higher standard than would be expected of new employees who had just joined the IT team:

It's [ComTech's onboarding is] going probably as well as it should be going at this point, to be completely honest. However, because we already have resistance and we are looking for things that are going wrong, we are picking out individual knowledge acquisition sessions that aren't going well and calling that SSP [related]. I think the reality is, is that we're having a really hard time letting go of the fact that someone is going to come in and they're going to do it different than us...Even up to a VP [vice president] perspective, we're giving feedback on the [PowerPoint] template pictures, the way in which they're putting words on a paper even though the words themselves are the message.

On one hand, we're saying, "They're going to do things differently. We need to do things differently. We need to be more agile. We need to do all these different things. We hired them because we believe that they can do this as well, if not better than what we're doing." But then when you translate that . . . at a senior manager level, it means, "You just hired someone to replace me that you think can do better than me. If you think they can do better than me then I'm going to tell you every nook and cranny on what they're not doing that's as good as me." Those are the dynamics. They're there every day. They're the everyday dynamics. (Working Team Member, personal communication, September 3, 2013)

Icarus IT employees' penchant for "laying in the brush" to ambush ComTech on seemingly trivial matters was tied to the Icarus habitus as it related to the role of contractors established during the Phoenix Era. This Working Team member noted the overly critical manner in which some impacted employee managers provided feedback to ComTech. Some employees even complained about the style of PowerPoint presentations used in different meetings as a way to

resist the transition to ComTech and retain some sense of control over their work. Rather than having the opportunity to apprentice with tenured Icarus engineers to develop "know how" of the Supply Chain systems, ComTech's engineers were excluded from the collaborative problem solving, storytelling, and improvisation settings that Brown and Duguid suggested is needed to close the gap between the routines of "process" and the reality of "practice" (2000).

ComTech faced the paradox of being hired under a managed services agreement but not being granted the initial autonomy or access to operate under this type of contract. Despite the infocentric flaws of the interaction model (discussed in Chapter Six), ComTech's (and SSP's) success still required willingness from Icarus employees and executives to allow ComTech to implement these new processes as per the new paradigmatic staffing model under which it had been hired. However, in spite of the effort the Working Team put into developing the interaction model, it was largely ignored by other IT teams:

In the Icarus culture, it's very important not to share your opinion, unless you're absolutely sure that everyone's going to agree with you. So it comes back to SSP, because the [ComTech] guys really don't know what to do with this, because they're looking to us for opinions, and they're getting them. But the assumption that the Icarus folks are making is that [ComTech] will not disagree with this opinion, because this opinion is something that everyone at Icarus agrees with. Specifically with respect to the intake process and the portfolio planning process, and all of this [interaction model between Icarus and ComTech], that we're trying to document. It's like Icarus has come in with a process that is frankly broken, or never worked that well in the first place. [ComTech] just came in originally, I think, with the idea that, "Yeah, it's one of the

reasons why [Icarus] bought us, because they want us to come in and make this whole

thing more efficient."

It was absolutely clear in the room from the get go, "No, [ComTech], you will

adopt the 'as is' [Icarus] process. [You] will do that. [You] will get that right for at least a

year or two, and then we can start talking about how to improve that process." They're

very diplomatic. They're very, very diplomatic, and so they would say, "Well, Icarus's

culture obviously works. We understand the benefit of just adopting it hook, line, and

sinker, at least in this initial phase." (Employee, personal communication, August 30,

2013)

Understandably, but to its eventual detriment, ComTech acquiesced to Icarus's feedback in these

early situations. Unfortunately for ComTech executives, their consent to these pressures

reinforced the beliefs of SSP's non-supporters that ComTech would be unsuccessful under a

managed services agreement at Icarus. In addition to their aforementioned submission to the

"Icarus way," ComTech executives admitted some missteps of their own during their first

months at Icarus. Although they were not directly interviewed for this study, my personal

observations of their most damaging setbacks included the protracted replacement of contractors

where there appeared to be legitimate performance concerns, and considerable turnover among

the top ComTech executives who needed to forge strong relationships with Richard and his

peers. The "revolving door" of ComTech contractors and executives combined with the

accelerated technical knowledge transition and growing cultural resistance across the Icarus IT

department marked the "beginning of the end" of SSP's chances for success.

Yellow trending red. Richard desired a prompt transition of existing and new

application development to ComTech in order to begin realizing SSP's benefits (if there were

any to be had by this point). For their part, ComTech executives were hesitant to transition too quickly because of the knowledge acquisition and cultural resistance risks they encountered. They were also faced with the paradoxical expectation to operate with a high degree of autonomy, while the Icarus team struggled to let go of the responsibilities they hired the ComTech to perform. One of the Working Team Members actually foreshadowed this scenario almost a year before the early implementation phase:

> I think we're way underestimating the fact that we don't have all that information [technical documentation] today, and that's part of the reason we struggle sometimes, because we don't have all those things that people know they're supposed to do today. I think we are underestimating the amount of work it's going to take to actually establish those interactions between us and a provider. Then we're going to say to that provider, "You stink, because you can't execute," and the blame will be a lot on us. We'll be chasing this, "They're bad, they're bad, they're bad," perception for the next three years after that. I just think we're not . . . I think we're way underestimating how much work that's going to take. (Working Team Member, personal communication, September 19, 2012)

As predicted, the ensuing narrative (especially among the Business Strategy executives and employees) often focused on ComTech contractors' perceived inabilities versus the cultural resistance or lack of formal documentation and quasi-apprenticeships available to them. ComTech's exclusion from the Icarus culture, or what Brown and Duguid (2000) termed the "fuzzy stuff that lies around the edges," went generally unacknowledged by most Icarus executives and employees involved with SSP. Furthermore, Richard had recently hired William to lead SSP; however, he lacked any IT experience. He was further handicapped by SSP's

overall history, anomalies, and executive resistance, of which he had little context or chance of overcoming with only Richard's support by this point:

> Originally, we were hoping to transfer in three to six months. Now I'm hearing six to twelve, possibly eighteen. I think part of what they [ComTech] are running into is documentation doesn't exist. "What do you mean documentation doesn't exist?" "It's all in so-and-so's head." They are realizing that this isn't as clean as we conveyed as well. Those timelines get drawn out in conjunction with Icarus giving input, and [ComTech] giving input. [William] also is saying, "How fast can we do it?" [ComTech is] saying, "This is as fast as we can go." [William] doesn't know better so [William] just says, "Okay," because [William] is new to [the Icarus IT Department]. (Working Team Member, personal communication, June 21, 2013)

As this Working Team Member noted, William was new to both SSP and the IT department in general—in many ways, he was onboarding at the same time as ComTech and also lacked the social and cultural capital (Bourdieu, 1983/1986) needed for his new assignment. Additionally, ComTech was still onboarding their technical staff during the early weeks of transition activity and therefore lacked enough people meet Richard's expectation for a rapid turnover of the Supply Chain systems to ComTech. Whether ComTech set this expectation with Icarus and then failed to meet it was not suggested during the interviews I conducted. Nevertheless, Richard held ComTech account executives accountable for this misalignment, and ComTech replaced a number of their senior leaders responsible for the overall transition activities within the first few months of the SSP contract.

Unsurprisingly, these changes had little effect on ComTech's ability to meet unattainable expectations. SSP was in serious risk of derailing. While ComTech and William pointed to the

Icarus culture and unrealistic expectations as the reasons for SSP troubles, their opponents

pointed back at ComTech and William as culpable parties. Cynthia explained:

> I've raised that to my peer [William] who's really leading this, and the response I get
>
> back is, "It's not [ComTech's] problem, it's [Icarus's] problem." It's become very much
>
> defend [ComTech]. I don't appreciate it when I have lots of evidence to say we've all got
>
> a stake, but there are some things that they're really missing on. There's a pretty big list
>
> of things like that right now. They [ComTech] have demonstrated some skilled and
>
> talented resources, which I find encouraging; however, the plans that they've created, in
>
> terms of how we begin to navigate future processes and transitioning of work, we're
>
> behind on nearly everything. [The status of SSP is] "yellow" trending "red" in lots of
>
> cases, so my confidence isn't terribly high that we're going to get through this transition
>
> and then onboarding process in the manner we wanted to. (Cynthia, personal
>
> communication, August 10, 2013)

Cynthia and William's disagreement over whom the culpable parties were for SSP's transition

delays were inflamed by both the cultural baggage SSP brought with it, the previously mentioned

corporate-wide layoffs being planned, and Icarus's poor financial performance throughout 2013.

Many of these factors were outside of William and the ComTech executives' control. Despite

any personal shortcomings they may have had, many of the ComTech executives and employees

who were removed from SSP during the tumultuous months following the start of ComTech's

contract were dealt a losing hand. For his part, William resigned near the end of 2013, just over

six months after Richard gave him his final "stretch" assignment.

Yellow Trending Red at the Eleventh-and-a-Half Hour

As 2013 drew to a close, there were a number of signs that SSP was indeed "yellow trending red." First, there were the anomalies (Kuhn, 2012) that Supply Chain development was in fact a "differentiating" capability, the disappearance of the capacity problem, and Richard's taxonomic demotion "down" into the Project Delivery Team. In part, the latter emboldened Brenda to launch repeated backstage (Goffman, 1959) resistance campaigns that had failed. In turn, Cynthia and her business strategy team carried out their own resistance campaigns in front stage settings along the taxonomizers (Lincoln, 1989) of the different Icarus organizational groups. Richard pressed for accelerated technical knowledge transfer from Icarus to ComTech, yet ComTech lacked any real access to the collaborative problem solving, storytelling, and improvisation needed to contextualize information and develop "know how" (Brown & Duguid, 2000) of the Supply Chain systems they were supposed to "own" under its managed services contract for SSP. As Richard and Brenda dueled with each other over SSP and their moral careers (Goffman, 1961), Donald, William, and a number of ComTech executives were unable to survive the SSP probationary crucible (Jackall, 2010) in their own careers.

An additional "yellow trending red" factor was there were scant open positions to transition the remaining employees impacted by SSP who had yet to be placed into new jobs. Icarus was essentially paying these employees to sit "on the bench" while they waited for open positions to become available. As mentioned previously, executives had been planning for company-wide layoffs in parallel with SSP's plans to transition work to ComTech and redeploy impacted employees. Some executives discussed the likelihood that the broader layoff might also include Supply Chain Development employees not yet placed into new positions:

We were very explicit when we set out [in 2011] that this [SSP] was not a reduction in

force [i.e. a layoff]. The marketplace, the environment has changed, and what I've

insisted on is we need to treat this group of people like we do everybody else. In fairness,

if we need to tackle a reduction of force across the board, I think that we have to be able

to include them [employees impacted by SSP], and I think that's as fair as we can be. We

can't treat them differently, and I think regardless, at this point we're going to have a

huge credibility issue. What I hope is that it doesn't turn into a bigger legal issue for us.

I'm not convinced that it won't, though. (Executive, personal communication, August 10,

2013)

The need to treat employees impacted by SSP "fairly" was a dilemma for executives. On one

hand, executives could stick with the commitment made at SSP's onset to place all impacted

employees into new jobs. On the other, executives could choose to include SSP employees along

with all of the other employee classes that were potentially impacted groups for the impending

layoffs. Executives had most often expressed their commitments verbally during larger team

meetings. I do not have any indication employees were provided individual, written

commitments for employment once work transitioned to ComTech. The potential for "legal

issues" associated with including SSP employees, or not, in the layoff was speculative as Icarus

IT employees were "employed at will" and not under any contract or union agreement.

By early 2014, Icarus had transitioned all of the forty-five applications in the Supply

Chain portfolio to ComTech who was leading each of the twenty-one active Supply Chain

projects. Icarus executives did lay off several hundred of their headquarters employees, including

a number in the IT department. However, in keeping with their earlier commitment to

employees, executives placed all of the SSP-impacted employees in new roles not affected by the

layoffs. None of the nearly one hundred employees impacted by SSP lost their jobs. How executives decided which individual employees would be impacted by the layoffs was not determined in this study. What I was able to observe, was that some Icarus executives regretted the firm commitments they had made to employees that there would be positions for all workers displaced by SSP:

> [We need to] be so careful about how we communicate [and] when we do it, because things are just too volatile. We can't ever say a decision we make a year ago and the commitments we make a year ago are going to be either all-inclusive or not. You don't want to be so vague that the team can't get their head around what's going on. You want to give them confidence in the future and around the leadership, but you can't put yourself in a box, and we did here . . . We can't undo that now. Going back [to] it, I think in general, in our business and in technology, we have to be so careful on what kind of commitment we have when we're making some of these changes. (Executive, personal communication, August 24, 2013)

Most executives regretted the difficult position the SSP employee commitment placed them in; they did not express regret over making the actual commitment to employees itself. It may appear as a subtle difference, but it is important to note there was consensus among executives when they made the initial commitment to find jobs for all of the impacted employees. It was as if executives, in hindsight, regretted they did not anticipate a potential scenario where SSP would not work out exactly as they had planned.

A non-champion takes over SSP. Following William's resignation, Richard assigned responsibility for SSP to Nancy, who was an experienced director on his team. One employee recalled Nancy's initial reaction to receiving this assignment:

Nancy has said to me a couple of times somewhat joking, somewhat not, "The day that

Richard told me I was getting SSP, I felt like I was punished." Nancy was coming in with

this, "I don't really want to deal with this [SSP]. It's not fun. It's not mine. It's a different

model than I'm used to." ComTech is having to deal directly with that . . . I think you've

got a director, with all due respect, that has a new space, [and a] new model [i.e. SSP].

We've got people flying left and right from the new [layoffs]. [She is] now trying to deal

with ComTech that [*sic*] she doesn't know, [and] she's not comfortable with [SSP]. It's

too much change for her. Too much change for a lot of people. It's not Nancy. I'm

actually a fan of Nancy. So far, she's done a nice job. It's just like, "I don't even have my

own team dealt with, I don't want to deal with you [ComTech]." . . . She literally can't

even see straight, and then she's getting escalations about stupid shit from our

[application] testing [team] that ComTech didn't do a test script right. (Employee,

personal communication, February 11, 2014)

ComTech's fate in many respects landed in the hands of an unwilling recipient. Unlike both

Donald and William who viewed SSP as a significant stepping stone or probationary crucible in

their moral career (Goffman, 1961), Nancy wanted nothing to do with it. This further restricted

ComTech's access to social and cultural capital (Bourdieu, 1983/1986) at Icarus. Richard's

waning support as a champion also worked against ComTech:

Richard has given ComTech the message that he's the only reason why they're still here

so they better get their act together, [because] the rest of the Icarus VP [vice president]

leadership doesn't want them anyway. We'll just pull it [SSP] back [from ComTech] . . .

My perspective is Richard has always felt the pressure from multiple of his peers on this

model. It's radically different than what we do. . . He's always been able to lean on his

team, to be able to go, "Okay. We're going to go. We're going to make this happen."

Insert Nancy, "I'm not interested. This is a thorn in my side. Make it go away."

> . . . The thing is we've done it. Now is not the time. We'll call it the eleventh-and-a-half hour. Actually, it's probably the twelfth hour, to be determining whether we're going to do it. We've done it. My perception is he [Richard] is probably absolutely exhausted from several years of resistance, several years of trying to prove things to people. At this point in the game [he] is going, "If ComTech isn't going to grab this thing and run with it, I'm exhausted of justifying it." (Employee, personal communication, February 11, 2014)

Richard's motivations, or options, for assigning Nancy to lead SSP were not attainable during this research. It is reasonable to surmise that Nancy was Richard's only option. More puzzling is Nancy's outright and open challenge to the SSP strategy itself given Richard's role as its primary champion. Nancy had not been close to the SSP work, and had little knowledge of the events within the program over the previous three years. Given Richard's declining support for ComTech, it is possible he looked to Nancy either as SSP's only chance for turnaround and success, or the best candidate to help unwind and decommission the program if that proved to be opportunistic in the future. By the time Nancy took over SSP, the general sentiment among many executives, including Richard, was that ComTech's account leadership was failing, and their poor performance had placed SSP at serious risk. At "the eleventh-and-a-half hour," Nancy looked for a way to undo the Strategic Staffing Program.

Violating the original premise for SSP. One of Nancy's approaches to address ComTech's lackluster performance was to insert her Icarus senior managers on the larger projects ComTech was leading. Effectively, this was a taboo violation of SSP's original premise

that a vendor could autonomously run the Supply Chain development function. In all appearances, Nancy began to revert SSP to the Phoenix Era staff augmentation model:

> I think what we'll end up doing is we'll end up inserting multiple [Icarus] leaders into the mix . . . Therefore, one camp can still say, "Yup, SSP is successful," but we're going to start putting them [ComTech], literally have ComTech reporting to some [senior managers]. I'm pretty darn sure Nancy does not want to have to deal with them. If she can deal with [an Icarus senior manager] on a distribution-owned program, she would rather deal with [an Icarus senior manager]. There's safety, there's security, there's perceived trust. There's all those things because you're one of "us" as opposed to one of "them." That name tag, that tag of whether you're Icarus or ComTech, we started out in the beginning calling it outright, "black badge." Their biggest obstacle is going to get over the perception of the "black badge" to this date. (Employee, personal communication, February 11, 2014)

Nancy was essentially looking to treat ComTech just as if she were working with TechStaff in a pre-SSP arrangement. The approach was legitimized in the Phoenix Era habitus and black-badge philosophy of the taxonomy (Lincoln, 1989) toward vendors, in part because of employees' institutionalized disbelief that any vendors could perform up to the standards of Icarus's employees. As this employee also noted, this approach could have supported different outcomes for SSP.

If ComTech proved to be successful, Richard could foreseeably frame the addition of Icarus senior managers as a necessary investment of economic and social capital (Bourdieu, 1983/1968). In a sense, ComTech would be indebted to Icarus, specifically to Richard and Nancy. Should ComTech fail, the move would "prove" that ComTech did not have enough

employees who could perform up to Icarus's standards, even with the help of its senior managers. Within the Icarus habitus and political discourse, ComTech's failure would provide a rational reason for Richard and Nancy to hold ComTech, not Icarus, accountable for SSP's failures.

Despite having worked together for over six months, ComTech and Icarus executives and employees lacked a shared understanding over their specific accountabilities. This was somewhat understandable, given the turnover between both leadership groups; however, the fact that this remained an open issue for so long was concerning to some and continued to strain the relationship between ComTech and Icarus:

> I think that hierarchy is still a point of debate. I don't think that it's been determined yet on who the [executive] equivalents [between ComTech and Icarus] are . . . The politics associated with it is, Nancy doesn't want them in [her] meetings . . . The way we had designed it was they would sit in DR [direct report staff] meetings, they would go to [project] meetings. Where there was HR-type sensitive information, they would be exempt from attending those. They are not allowed in any of them right now. Nancy is setting up the weekly [review] meetings, [for] their [ComTech's] program previews, financial reviews for the portfolios [that] ComTech owns, but hasn't quite gotten to the point that ComTech can actually attend . . . Again, this goes back to where we were at with [SSP] when we transitioned. In that case, we're not actually allowing ComTech to perform all the functions of what we were paying them to do, because culturally, politically, we're not ready to embrace it. (Employee, personal communication, February 11, 2014)

Nancy withheld critical cultural and social capital from ComTech, who found themselves in a reinforcing negative feedback loop. Icarus viewed ComTech as performing below expectations; however, it also appeared that executives excluded ComTech from critical meetings where vital information was exchanged. This employee's observation that, "culturally, politically, we're not ready to embrace it," revealed the power of the Icarus habitus and taxonomy. Despite the need to see past badge color to make SSP successful, many executives and employees still held ComTech workers to a higher standard. They pointed to ComTech's missteps (small and large) as rational evidence supporting the Icarus social order. As one executive noted, "They [ComTech] also realize that if it doesn't go right, we are going to blame them for it. It's not going to be, 'What could we have done differently?' It is going to be '[ComTech] is screwing up'" (Executive, personal communication, June 21, 2013).

The phoenix era redux. Analogous to "treaties" broken by the party with higher taxonomic standing, it was Nancy and Richard who violated SSP's original premise of establishing a managed service agreement that improved on the large-scale staff augmentation of the Project Phoenix Era. Whether they felt the means justified the ends was not ascertained during this research. For their part, ComTech executives were understandably vexed by this affront and were not silent with their complaints. They continued to escalate their feedback to Richard and Nancy, which included concerns that more than half of the three hundred ComTech staff wanted to quit. Nevertheless, by early 2014, a widely accepted Icarus narrative regarding the ComTech team's "opportunities" (in the vernacular of the IT habitus) started to eclipse their ability to get additional executive support and social capital (Bourdieu, 1983/1986):

You have two camps, and they're both right. You have ComTech on one hand saying, "You're not enabling us to be successful. You're not inviting us to meetings where we

actually gather the information . . . You're not integrating us in. You're quick to jump on

us every time we take one baby step the wrong way, which [you] would never do that to

Icarus folks. You're bringing up old dirty laundry over and over and over to prove why

we can't do it." Yes, all of that is true. On the flip side, you have Icarus going, "You

didn't bring good leaders. You can't figure it [the Icarus culture] out. You can't play the

politics. You can't maneuver through our organization." Yes, that's true as well.

The best way that I would describe it, if you go back to our...upper tier level [of

executives], the way we had divided parties and still have divided parties on this strategy,

you see it. Even to this very end, you see those behaviors come down. You see the

divided parties playing out now between ComTech and Icarus. [My] biggest lesson

learned [is], I don't care how strong the individual VP [vice president] is that's leading it,

or how bull-in-china-shop-like they are, [they] are not exempt. At Icarus . . . literally,

other people are just waiting for you to fail. They're waiting by the sidelines to go,

"When this has a bump, I'm going to trip you." You're seeing it play out. It's

unfortunate. (Employee, personal communication, February 11, 2014)

I did not personally experience additional conflicts between Richard and Brenda in early 2014,

but their initial friction over SSP continued to influence others' behaviors. This employee shared

their view of a darker side of the Icarus habitus where individuals at the executive levels of the

hierarchy would actively seek out opportunities to block one another from advancing in their

moral careers. Given the competitiveness for the diminishing number of positions as one

advanced in the Icarus pyramid, the stakes were paramount in one's stretch assignments at this

level. From this employee's viewpoint, other executives were happy to see Richard and SSP fail.

This backstage vitriol existed since before the beginning of SSP and was infused in Icarus executives as rational, legitimate, and sanctioned behavior in the Icarus habitus. As one employee recalled, this type of behavior may not have been visible to all employees given its segregation to backstage performances. However, those who experienced these power rituals and noticed them for what they were—the shadow side of the Icarus habitus—found the performances disturbing for both their impact and pervasiveness:

Yeah, I am surprised and disappointed; in some degree, not surprised. I think about what I felt, much of it I couldn't necessarily describe what conversations were happening. Literally I felt it. Every day, it was just a constant state of turmoil. I don't know that everybody felt it. I hope everybody didn't feel it, but it was a constant state of, "Are we going to do this [SSP]? Are we not going to do this?" Every time we go to share information, you know, you know that a ton of the folks, leaders, [directors and vice presidents], they're not interested . . . [or] they're anti [SSP].

What I'm surprised at and probably most disappointed at is we are, I don't even know how long, three years down the road on this thing. The fact that we are still having discussions, that's the part that's surprising. That's the part that's the most disappointing. We have spent so much time and so much money from both Icarus and ComTech's perspective. Our lack of solidifying our strategy and not carrying it through to completion, and just finally going, "Are we all agreeing that this is what we're going to do, and that we're in it together?" The fact that we're still fighting each other at the end, it's actually quite embarrassing, to be honest with you. That's the part, I think, that surprises me, that we're [still] having the, "Should we do this [SSP]?" Like I said, we did

it. It's done, right? The question should be, "Should we undo it?" It's not, "Should we do it?" because it's completed.

It's interesting. It's somewhat on-topic and somewhat off-topic. You're seeing these really major, top [executive] decisions: SSP, long term [Supply Chain application decisions], [Icarus's technology vision]. Here we are two years into actually executing many of them going, "Maybe we shouldn't [do these initiatives now]." I think, to me, and I shouldn't say this but I'm going to say it anyway, that's an indicator of our leadership really not knowing what the hell we want to do. It's not just SSP, it's broader.

(Employee, personal communication, February 11, 2014)

As this study ended, SSP had entered its fourth year. The program was "yellow trending red" at "the eleventh-and-a-half hour," and its chances of success were doubtful. ComTech's transition work had been far from flawlessly executed. Richard's support for ComTech was in decline and overall support for SSP continued to be mixed across the executive team. As employees and executives suggested could happen, Icarus blamed ComTech for SSP's shortcomings. The Phoenix Era firmly established the culturally acceptable way for Icarus IT to use contractors—staff augmentation and subservient to employees under the IT taxonomy. When things go wrong, employees and executives alike attributed the majority of the fault as lying with the vendor.

The cumulative effect of forces including tensions between executives looking to advance their moral careers (Goffman, 1961) plus the anomalies (Kuhn, 2012) to executives' worldview, discourse, and taxonomy (Lincoln, 1989), made early implementation the most volatile period of the program. The flood of opposition to SSP that had built and manifested from

these forces over the prior three years followed the path of least resistance through Icarus's habitus and bureaucratic structures, crushing ComTech at the bottom of the taxonomy.

In a sign of non-confidence at "the eleventh-and-a-half hour," Nancy began adding senior managers back into projects ComTech was then leading to provide additional oversight. At the conclusion of this research, there was speculation that if ComTech continued to work for Icarus, the relationship would drift toward more of a staff augmentation model than a managed services agreement. Under the initially contemplated managed services model, ComTech would have had similar autonomy over the day-to-day Supply Chain development work as employees and executives did for other large, self-contained IT functions. In exchange, Icarus would hold ComTech accountable for the overall results they produced rather than having to manage the details of every project. This was the core logic of SSP. Thus, the implication of ComTech's potential drift from managed services to the Phoenix Era staff augmentation archetype was critical. It meant that the entire SSP initiative looked to be a failed cause that wasted significant time, money, and effort for both Icarus and ComTech. Both organizations invested several million dollars (each) to develop, staff, and implement an infocentric interaction model that never paid off—largely because it ignored the "fuzzy stuff" (Brown & Duguid, 2000) of Icarus's software engineering culture.

Understandably, the Icarus business divisions continued to complain of the IT department's poorer performance, delayed delivery of new systems, and a general loss in Supply Chain intellectual property among the IT department. Supply Chain was in fact a strategic and "differentiating" capability Icarus needed to advance in order to remain competitive in the brave new world of digital retailing. Its IT department seemed to fall behind its competitors in this regard—in part related to the ill-fated Strategy Staffing Program. Over three years after

beginning SSP, the Icarus IT department's Supply Chain software development speed, cost, and quality were arguably poorer than they had with TechStaff during the Phoenix Era.

CHAPTER NINE

CONCLUSION AND IMPLICATIONS

This research focused on a large information technology outsourcing (ITO) program from its inception to early implementation at a single Fortune 1000 firm. The time span covered was over five years, which included the two years prior to the Strategic Staffing Program (SSP) and more than three years of the initiative's lifespan. The data for this study included fifty-two interviews conducted with Icarus information technology (IT) employees and executives over eighteen months, plus my personal observations and field notes. The uniqueness of this study compared to other published research comes from my dual role as both researcher and executive at Icarus throughout this work.

For over three years, SSP was a bit like Howard Hughes's behemoth aircraft, the Spruce Goose. Both were massive undertakings plagued by competing interests, mixed support, and power struggles. Both the Spruce Goose and SSP were one-of-a-kind (and considerably delayed) creations that, once finished, were no longer relevant. The Spruce Goose's war had ended; the Icarus IT capacity problem never manifested. Nevertheless, both were seen through to completion by their supporters in attempts to prove their detractors wrong and showcase these creations as rational, legitimate contraptions that worked. For its part, the Spruce Goose had a single, one-mile flight but never flew above seventy feet in the air. Technically, the Spruce Goose worked. It also never flew again and was hidden in a storage hangar for more than twenty years after its maiden and only flight (Barton, 1982/1998). Technically, SSP worked. Icarus transitioned all of forty-five applications and twenty-one active Supply Chain projects to ComTech. But like the Spruce Goose, SSP did not measure up to expectations upon its delivery.

At the close of this research, it appeared that SSP would never develop into an accepted part of the Icarus IT culture. After three years of struggle, even the program's creators and champions seemed likely to abandon their creation. Were the program itself to have a "voice," it might have expressed similar anguish as Frankenstein's creature after learning of his own creator's regrets:

> Cursed creator! Why did you form a monster so hideous that even you turned from me in disgust? God, in pity, made man beautiful and alluring, after his own image; but my form is a filthy type of yours, more horrid even from the very resemblance. Satan had his companions, fellow devils, to admire and encourage him, but I am solitary and abhorred (Shelley, 1818/2009, p. 105).

As in Shelly's tale, the actors in this research faced unintended and unexpected consequences in the aftermath of building their creature, the Strategic Staffing Program. The warning signs of these consequences and SSP's eventual demise are clearer in hindsight; however, as Cynthia noted in the previous chapter, there were a number of indicators the program was "yellow trending red" along the way.

Through this research I sought to develop a grounded theory of *how* the Strategic Staffing Program unfolded as it did while giving equal voice to the employees and executives involved. The findings summarized below address this research question, demonstrate how this study extends prior information technology outsourcing research, suggest opportunities for future study, and offer recommendations to both Icarus and general IT executives.

The Habitus as an Iceberg

This study provided an organized, Bourdieu-based look at how a particular Fortune 1000 retail company's habitus played out in its Information Technology department. The IT

department's social environment influenced how cultural information circulated and was interpreted by employees and executives.

The habitus limited SSP's chances for success because it affected how individuals learned to think and act at Icarus. Leveraging Bourdieu's (1972/1977) definition, the Icarus habitus was a socially created and self-reinforcing network of social practices, mental models, and organizational rules in use that guided and sanctioned how employees and executives transmitted power. This was evident even in the years immediately preceding SSP. The IT department's reorganization created a culture of thinkers versus doers. On one side you had the "thinker" Business Strategy teams who fit the cultural veneer of the Icarus habitus. On the other, you had the "doer" engineers and project managers who felt marginalized or that their jobs were at risk of being outsourced. The IT reorganization bifurcated employees and executives into different classes, which led to an identity crisis for the entire department. The IT team was unsure if they were working on a software factory assembly line, were members of a guild of craftsmen, or serving as wardens over their vendors.

Icarus employees and executives expressed a nagging sense that the company's culture and politics would have a negative effect on SSP, yet they lacked a way to articulate that concern or contemplate effective interventions. The habitus went generally unexplored by executives as a force to be considered. Analogous to trying to detect odorless carbon monoxide or radon in one's home by the olfactory senses alone, employees and executives lacked an instrument to alert them to the existence of the habitus. Consequently, they continually wrestled with the effects the habitus had on SSP without being able to locate its source or fully diagnose their symptoms.

The metaphor of an iceberg is a more vivid and comprehensive way to contemplate the Icarus habitus. The visible portion above the waterline included many of the elements discussed

in Chapter Five, such as partnering, getting feedback, opportunities, status meetings, stretch assignments, one team, being on brand, PowerPoint decks, flawless execution, socializing, and collaborative (if not protracted) decision making. These were the widely known and accepted tools for working at Icarus—following Kuhn's (2012) structure, they were the paradigmatic rules of normal science for any problem solving work.

Below the waterline were the front stage and backstage cultural rituals, awareness of and ability to navigate the IT taxonomy, executives' (lack of) "dexterity with symbols" (Jackall, 2010) to legitimize problems and solutions, the tacit expectation that leaders would often leak privileged information to their rising stars, and executives' shadow attempts to block one another from advancing in their moral careers. These elements were not openly discussed but created and recreated the bureaucratic ethic and corporate morality of the Icarus habitus. They were the "organizational rules in use" as described by Jackall (2010). Individuals gained awareness of these elements through their experiences watching others who successfully climbed the corporate ladder at Icarus. As they applied these elements to their own initiatives and probationary crucibles, other employees at lower levels were prone to repeat the pattern of observing, applying, and learning to gain this specialized knowledge. All of these elements were part of the Icarus habitus and contributed to SSP's shortcomings.

The habitus created and reinforced the habitus. It shaped leaders like Jack, Richard, and Brenda, who in turn, influenced leaders like Donald, William, Cynthia (and me). We did the same for the respective rising stars on our team, who did the same on theirs, and so on. The habitus conditioned how we interpreted events as they happened, how we evaluated our options, and the manner in which we took the actions we did.

Looking Up and Looking Around on the Road to Abilene

Icarus had very few fixed decision-making norms beyond socializing and rehearsing high-stakes presentations. The habitus rewarded executives and employees who could generally discern which way the cultural winds were blowing and tack or jib their sails accordingly. The habitus fueled executives' dramaturgy from the staged nature of the CIO Staff Meetings, to the demand for the appearance of (but not actual) consensus, to the backstage rituals of rehearsal and attempted consensus building. The result was the CIO and top IT executives tacitly agreeing to take a protracted, ill-fated trip to Abilene. Furthermore, the data showed executives' tendencies to reach quasi-agreement on certain decisions while "reserving the right to have an opinion as the work unfolds" (Executive, personal communication, August 29, 2013) also contributed to SSP's delays. In essence, it was a culturally acceptable ritual for executives to revisit and attempt to undo previous decisions.

Operating from within the Icarus habitus, executives considered their means of support or challenge to SSP as rational and critically sound given the available data and context of the moment. In other words, the "right" action for executives to take at any given moment was to "look up and look around" as Jackall (2010) suggested. Executives attempted to control the flow of power and information in a way that most aligned with their personal moral career desires. However, this study found executives were generally ineffective in their "dexterity with symbols."

How employees found out about SSP for the first time was a significant event in their moral careers. Employees who learned about SSP in Richard's front stage town hall performance generally had a stronger and emotional reaction to the news—they described feeling "shocked" and "stunned" by the announcement. They also were more likely to misinterpret Richard's

messages; some employees assumed the entire IT department was to be outsourced. Conversely, those who first heard about SSP via informal, backstage communication rituals had more moderate reactions to the news. The data supporting this finding suggest employees expected to learn privileged information in these backstage conversations. For their part, Richard, Donald, and other IT executives overlooked this commonplace, backstage expectation. They errantly attributed their communication "successes" to their front stage performance, which in fact were more likely to have a negative effect.

Infocentric Ouija Board Strategies and Anomalies

Despite executives' insistence they would not repeat the folly of their competitor's failed outsourcing programs—they did. SSP became another exemplar of a big company making a bad decision about what to do next. Reacting to the digital disruptions of twenty-first century retailing, executives were convinced they faced a capacity problem, yet were unsure of what to do next to address it. As they felt their way forward, they came up with an infocentric ouija board strategy (the Global Staffing Model) that, when coupled with the Icarus habitus, allowed the creation of a mega-project that was more about executive ambition than actually solving the problem. Not surprisingly, anomalies and externalities to the capacity problem and the reliability of the GSM emerged. As SSP stumbled forward, it became increasingly clear that from its very beginning the program was an infocentric strategy. As Brown and Duguid (2000) cautioned is the case with infocentric endeavors, SSP's supporters operated with a tunnel vision fixated upon the data they found to be most obvious or interesting. Their overreliance on information at the expense of the "fuzzy stuff" of social context led Richard and others to misjudge and mishandle the ensuing anomalies that occurred.

Following Kuhn's ideas on the structure of scientific paradigms (2012), this study examined three distinct anomalies that executives did not fully acknowledge or effectively address. First, Icarus's Supply Chain software development work proved (to have always been) critical to its future strategies—certainly not a "non-differentiated" capability in the brave new world of digital retailing. The "non-differentiation" anomaly also drew attention to the impacts of the Global Staffing Model as an infocentric ouija board strategy that created little critical thinking beyond political debate over inkblot test result interpretations. Next, Richard's retained ownership of SSP after moving down into the Project Delivery Team was an anomaly to the IT taxonomy (Lincoln, 1989) that challenged the legitimacy of the power structure between Richard's and Brenda's teams. Finally, as Icarus presumably fell behind its competitors in the twenty-first century retail field, the actual capacity problem SSP was intended to help solve never manifested. Executives' presumed growth paradigm (Kuhn, 2012) gave way to an expense management one. The ground had shifted underneath Richard and all of us; we were attempting with SSP to solve a three-year-old capacity problem that no longer existed.

In spite of these anomalies, Richard and his supporters accumulated and used enough economic, social, and cultural capital (Bourdieu, 1983/1986) to legitimize and advocate for SSP for over three years while attempting to advance their moral careers (Goffman, 1961). With the benefit of hindsight, time, and the analytic lenses employed in this work, executives' actions supporting SSP appeared to range from being shortsighted, strategically poor, decisions to colossal mistakes. SSP cost significant amounts of time, effort, and capital from both ComTech and Icarus; yet the return on these investments appeared marginal at best after more than three years. It is important to be very clear that throughout my observations and interviews, no one suggested any executive or employee involved deliberately and knowingly sought to sabotage

SSP outright. However, individuals did operate with their own self-interest in mind, which was part of the legitimized bureaucratic ethic and moral code at Icarus.

The Strategic Staffing Program as a Leitmotif

Eventually the reality of SSP as a doomed, infocentric initiative reared its head; it was a bad idea that only got worse over time. The habitus, ouija board strategies, and executives "looking up and looking around" modus operandi could temporarily mask SSP's shortcomings, but could not provide enough alchemy to turn it into gold. Although beyond the reach of this study, it was unlikely these entrenched leadership behaviors were exclusive to just this single initiative.

The Icarus taxonomy represented the institutionalized social order for distributing power and positioned individuals based upon the economic, social, and cultural capital they possessed. Employees and executives commonly recognized individual taxonomizers (i.e. corporate class, badge color, geographic location, and organization chart position), but they did not contemplate these elements as forming a collective social structure. For SSP, Richard and Donald were in a less powerful organization chart location than Brenda and Cynthia in the final year, ComTech was a different badge color than Icarus, the Working Team and employees were in a lower corporate class than the executives at the CIO Staff Meeting. Thus, just as it was with SSP, it is reasonable that chief points of friction on other Icarus initiatives could be across taxonomizers.

The tension between Richard and Brenda spread throughout the IT taxonomy. It legitimized how their teams mirrored their respective positions for and against SSP. The executives and employees who worked for Richard and Brenda advanced or defended the positions of their patrons following the bureaucratic ethic and organizational rules in use of their

superiors. Beyond SSP, it is indeed possible that employees would align their loyalties to the executive whose patronage they are beneficiaries of.

This study highlighted what happened when Icarus IT executives attempted to implement a managed services agreement without forcing a definition of terms or bringing up relevant data from previous attempts at ITO attempts. Said differently, IT executives failed to explore why Project Phoenix was never truly successful—yet they perused an even risker managed services agreement in SSP that they believed would yield a "better" outcome and somehow not be susceptible to similar shortcomings. The Icarus habitus did not incent executives to call into question what they thought they knew. Leading up to SSP, the model was to do things well and do them quickly. Icarus as a company had been successful enough for executives to get by with believing that once they achieved consensus (real or faked) they were usually doing the "right" thing. This infocentric approach to strategy setting and execution caused executives to suffer from what Brown and Duguid (2000) described as a form of social and moral blindness surmountable only by embracing the "fuzzy stuff that lies around the edges."

Therefore, it is surmisable that the Strategic Staffing Program was representative of other Icarus IT strategies rife with their own battles for controlling economic, social, and cultural capital. While these other strategies were outside the scope of this research, it is reasonable that the Icarus habitus would influence the general success or failure of any number of initiatives involving high stakes, power, and executives furthering their moral careers.

Implications and Recommendations

As previously stated, I did not include any ComTech employees in the interviews for this study due to my position at Icarus. Although I was able to marginally represent ComTech's role in SSP through the responses of Icarus employees and executives who worked directly with

them, one of this study's limitations was ComTech's exclusion from the interviews. An opportunity for future research would be extending or amending this study with ComTech employee interviews. Additionally, because it would have represented a conflict of interest, I was unable to include details from either Icarus or ComTech regarding their approach to the actual contract negotiation process. A future study may add further value by examining this aspect of the overall information technology outsourcing (ITO) process.

Contributions to information technology outsourcing research. This study followed a qualitative approach to examine the outcome or *how* a single ITO program turned out as it did, versus the quantitative diffusion methodologies (i.e. Bass, 1969, 2004; Davidson & MacKinnion, 1981; Mahajan & Peterson, 1985) employed by ITO diffusion studies (Loh & Venkatraman, 1992; Hu et al., 1997) that assessed *why* outsourcing diffused as a business strategy, or *what* IT functions firms choose to outsource. In doing so, this study contributes to a growing number of more recent ITO studies utilizing grounded theory methodologies (Strauss & Corbin, 1998; Charmaz, 2006) such as Clott (2007), Hong and O (2009), Lacity and Rottman (2009), and Beverakis et al. (2009).

The previously published research discussed in Chapter One examined the influence of external factors such as copying competitor strategy and external research on why firms choose to implement information technology outsourcing (ITO) strategies. Icarus executives' determination to not repeat the IT outsourcing mistakes made by one of their competitors supported Loh and Venkatraman's (1992) findings suggesting the strong influence of "institutional isomorphism" (DiMaggio & Powell, 1983) on executives to pursue ITO strategies. Rather than mimicking a successful strategy, Icarus executives attempted to avoid repeating the mistakes of another firm. But in process, they too ended up with a failed ITO program.

In addition to the influence of external dynamics on Icarus executives' decision-making, this study also revealed the strong role played by internal, cultural elements. Most notably, the Icarus habitus was a fundamental influence on Richard's pursuit of a risky ITO strategy. A successful SSP would have represented a major milestone in Richard's moral career and added to his cultural capital at Icarus. In using the infocentric GSM ouija board to attempt to advance his moral career, Richard positioned SSP as a silver-bullet solution to the capacity problem. The qualitative data in this research show Richard and Icarus would have fared better by taking an incremental approach toward addressing the initial capacity problem. However, the Icarus habitus was more likely to recognize and reward elegant or grand solutions than those allowing for greater degrees of freedom in their implementation. At least at the upper levels of the taxonomy, demonstrating restraint and prudency were less likely to advance one's moral career than attempting to flawlessly execute a more risky strategy.

Lunblad (2003) suggested Rogers (2003) theory of "innovation diffusion" focused primarily on diffusion and adoption by individuals rather than organizations. Lunblad (2003) called for future diffusion studies to look deeper into organizational dynamics by describing "the interaction between the innovation, the adopter, the social system, and the other influencers of adoption" (p. 59). This study's articulation and inclusion of the Icarus IT habitus partially addresses the role of the "social system" as discussed by Lunblad (2003). Additionally, this research considered the role of the innovator (Richard) and suggests his attempts to advance his moral career as having a strong influence on outcome of the "innovation" at the center of this research (i.e. the Strategic Staffing Program).

As first discussed in Chapter Three, this research followed McMaster's (2001) suggestion to flatten Rogers's (2003) normally-distributed bell curve of innovation adopter categories

(innovators, early adopters, early majority, late majority, and laggards) into a binary pair of innovators and recipients (executives and employees in this study). The findings of this study also support McMaster's (2001) criticism that relying on a diffusion-theory approach to change or innovation adoption downplays the impact of human weaknesses and costs common within the corporate domain. This research determined that the Icarus IT habitus in many ways cultivated "bad habits" among its leaders, thus suggesting leaders' foibles (versus adopters' characteristics) played a stronger role on why SSP turned out as it did.

Most closely aligned to this research was the work of Beverakis et al. (2009) who developed a grounded theory of how an outsourcing strategy diffused throughout one multinational organization. Among the authors' suggestions for future research was exploring the "impact of personal opinions and bias [that] could prove to be an impediment to the success of such of an offshore sourcing project. A study of this impact could prove extremely valuable and make a significant contribution" (p. 45). The qualitative data in this study clearly show the relevance and impact Icarus's habitus had on SSP. Most importantly, the "fuzzy" elements of the habitus "iceberg" that existed beneath the "waterline" proved to be the most influential means via which executives' and employees' personal opinions, motivations, and biases affected SSP.

Recommendations for information technology executives. As discussed in Chapter Three, the primary generalizability concern for this study was "internal generalizability," or "the generalizability of a conclusion within the setting or group studied" (Maxwell, 2005, p. 115). Nevertheless, the findings of this research include "yellow trending red" warnings that executives at other firms may want to consider prior to their own ITO endeavors, particularly managed services agreements such as Icarus's Strategic Staffing Program.

The anomalies of the capacity problem's disappearance and Supply Chain's "differentiating" importance to Icarus suggest the benefits for IT executives to continuously reexamine both *why* they are outsourcing and *what* they are outsourcing. Icarus executives ultimately had no real way to deal with these anomalies as they occurred. Executives created SSP based on their infocentric conclusion of increased IT work, and chose to outsource Supply Chain software development based on the ouija board nature of the Global Staffing Model. Neither of these fundamental *why* and *what* decisions were openly debated or revisited by executives until Brenda's attempted backstage intervention years later. Instead, executives commiserated over these matters in private—a sure sign they were on the road to Abilene. This research highlighted the consequences for Icarus when this debate was avoided or relegated to backstage exchanges. Executives considering ITO with managed services agreements should consider reevaluating and discerning *why* they are outsourcing and *what* they are outsourcing.

A second recommendation for leaders of other ITO programs concerns transitioning technical and cultural knowledge from employee engineers to contractors. Although they were provided the available technical documentation, ComTech contractors were generally excluded from the collaborative problem solving, storytelling, and improvisation that Brown and Duguid (2000) suggest is needed to contextualize information and develop "know how" versus mere "know of." Even had Icarus executives' decisions about *why* and *what* they were outsourcing not been faulty, it is surmisable that the ComTech contractors would have nevertheless struggled with knowledge transfer given the accelerated pace of this activity. Executives considering ITO with managed services agreements are cautioned to not under-estimate potential cultural barriers and the extensive time and interactions that may be required by contractors with their existing engineers. Furthermore, and unlike SSP, executives should consider creating appropriate

incentives for tenured engineers to transition technical and cultural knowledge they have developed over years of hands on experience.

Recommendations for Icarus. While employees and executives expressed awareness of the Icarus culture or politics, the data did not reveal a recognition and relationship of all of the habitus elements or their metaphorical position above or below the waterline. One recommendation for Icarus executives is to develop a broader awareness and dialogue about the habitus and its elements not widely discussed nor seen as related (i.e., paradigm, taxonomy, decision making rituals, moral career, capital, bureaucratic ethics and moral code).

In operationalizing the habitus, executives would also need to recognize the recursive nature of the elements above and below the "waterline" that entrenched and reinforced the habitus. As Bourdieu (1979/1984) recognized, executives should contemplate introducing appropriate external forces to disrupt or alter the Icarus habitus. The nature of these external forces would need to be different and greater than just introducing a new vendor to the Icarus habitus, which the data in this research have shown was ineffective and not sustainable in the existing taxonomy.

A final recommendation for Icarus executives is the consideration of the Strategic Staffing Program as a leitmotif for the larger Icarus culture beyond one flawed IT project. As highlighted in the previous section, unless IT is entirely idiosyncratic to the other Icarus divisions, it is plausible that SSP was representative of other potentially infocentric endeavors at Icarus. This consideration could provide a starting point for Icarus leaders at all levels to understand how the habitus influenced the organization's past and consider suitable external forces to affect the habitus as suggested by Bourdieu (1979/1984).

Coda and personal implications. Roughly one month after I concluded data gathering for this study, Jack resigned from Icarus. Richard resigned two months later, and Brenda would follow a few months after Richard. With the vacancies of both SSP's sponsor and its chief opponent, plus the addition of a new CIO from outside of the company, the collective consciousness of the IT department's top executives was effectively reset to tabula rasa regarding SSP. Shelly, my boss, transferred out of the IT department. Cynthia remained in IT, but had moved to a different assignment. Nancy continued to thrust what remained of the Strategic Staffing Program toward a Phoenix Era staff augmentation model—even electing to bring in additional TechStaff versus ComTech contractors in some cases. My team was actively involved supporting Nancy's plan to terminate ComTech's contract.

It was too soon to suggest whether the addition of a different CIO and new hand-picked executives would be an external force sufficient enough to disrupt the Icarus habitus. What was known was the new CIO and executives once again embarked on reorganizing the IT department. In its early phases, the "new" structure was reminiscent of the original model prior to the reorganization six years earlier (recall Figure 5.1).

For my part, I elected to share the full results of this study directly with the new CIO at the time of submitting this manuscript to my Dissertation Committee. Whether this will prove to be to the betterment or determent of my own moral career, I do not know. Having taken the study as far as I had, I believed this to be the best next step to help all of us at Icarus learn from and avoid repeating our mistakes.

In many respects, I "grew up" as a leader at Icarus. Now on the other side of SSP and my doctorate program, I feel like I have had to unlearn much of what passed as "leadership" during my seven-year tenure at Icarus. The exercise has been difficult as these were behaviors I

institutionalized, cultivated in the rising stars on my teams over the years, and found success with as I advanced my moral career. The Strategic Staffing Program had been a pivotal rite of passage in my career and imparted a number of hard lessons about what "not" to do in the future. The most prominent of these personal lessons are: how (not) to successfully anticipate and resolve a big issue, how (not) to construct a strategy that your system is going to be able to handle (logistically and culturally), and ways in which executive decision making can produce a series of (non) decisions that can be revoked at any time by all of the different actors.

Despite my dual roles as both participant and researcher, the reader may have observed that I rarely mentioned my role as "participant" throughout the preceding data chapters. The principal reason for this omission is that unfortunately, despite the benefit of conducting this research while actually working on SSP, I personally missed a number of opportunities along the way to speak up. Like many others involved in the project, I was more focused on managing the exigencies of the situation and so steeped in the Icarus habitus that I failed to be as vocal about my own criticisms of SSP as hindsight suggests I should have been. Instead of leading more like a leader that spent the last five years earning a doctorate in leadership, I admit that I was another agreeable traveler on the road to Abilene with the other executives.

I could have raised my own concerns about the Strategic Staffing Program's viability. There were moments along the way where I should have spoken out, but I stayed silent or held back. As Harvey (1988) suggested can happen to leaders when their organizations are on the road to Abilene, I was paralyzed by "negative fantasies" of potential consequences from sharing my personal reservations about SSP. I failed to accept the existential risk of the bureaucratic ethic. I chose not to act out of the fear of being ostracized from executives (Jack, Richard, Brenda, and my boss) who had acted as sponsors and supporters throughout my moral career.

Now in the aftermath of the Strategic Staffing Program (and other company failures that suggest viewing SSP as a leitmotif for the Icarus culture is a justified call to action) most of my former supporters have resigned. I will never see them in the halls of Icarus again. Should they see themselves reflected in this work, I may never see them again in any setting. So in every regard, I have lost the support from all of these executives.

In some respects, I operated within the infocentric "tunnel vision" that Brown and Duguid (2000) warned can lead to social and moral blindness surmountable only by embracing the "fuzzy stuff that lies around the edges." Put differently, I never spoke up and said we should not go to Abilene. This is the paradox to the Abilene paradox—by not taking the risks to speak out against SSP, out of fear it would lead to a loss of favor with these executives whom supported me, I still ended up losing their support. Instead of placing my bet on the existential risk of speaking up, I made an unspoken bet on the greater risk of not speaking out. Now, I am alone. Although I was not the driver, per se, of the SSP bus that crashed on the way to Abilene, I am among the few survivors in its wreckage, and am faced the decision of how to move forward.

I do not know if my tenure at Icarus will last another seven years, or even seven months. What I am certain of, is I now need to straddle both worlds—the Icarus habitus, and my externally informed approach to leadership as a result of this research. The Icarus habitus is what it is. Having seen it as such, I cannot "un-see" it, nor can I go back to a time when I was unacquainted with everything that lurked below its "waterline." What I can do is to adopt an approach to leadership that is much more sensitive or tuned-in to the "fuzzy stuff" in the cultural margins. In this approach, I will carry with me the bits of wisdom I have gained from the journey of my doctorate program and this study into the Icarus culture. On its own, this is unlikely to grow into enough "external disruption" as suggested by Bourdieu (1979/1984) to affect the

overall habitus, but it is a place for me to start. I also accept that this approach is certain to come

with its own risks—the Icarus habitus may treat me like a bothersome toothache that needs to be

"fixed," maybe even "pulled out." At this phase of my moral career, I am less concerned by these

existential risks. Nor do I regret mistakes I have made along the way. Those experiences have

shaped the leader I am now—comfortable with one foot in the Icarus habitus and it's oft

infocentric tendencies and the other foot steadied in the "fuzzy stuff that lies around the edges."

Appendix A—Interviewee Solicitation Email

Title: Managed Services Partnership | Research Opportunity

Good Morning/Afternoon,

I am currently enrolled in the Doctorate Program on Leadership at the University of St. Thomas. My research interests include how firms with large IT components like [Icarus] go about shifting IT sourcing philosophies in order to meet current and future market conditions. [Icarus] is allowing me the opportunity to conduct my dissertation research at its HQ offices—focusing specifically on the current Managed Services Partnership (SSP) project for Distribution, Transportation, and Global Trade Services.

I have selected you as a potential candidate because [of your current involvement in the project] [your work area is either directly or indirectly affected by the SSP initiative] [[Icarus] informed you that your position is impacted] [you were recommended to me by a co-worker]. I am requesting your permission to participate in an initial 30-60 minute interview as part of my research.

Your participation is completely voluntary and in no way affects your relationship with [Icarus]. Your decision to participate (or decline) and subsequent interview results are confidential—I will disclose neither your involvement nor identity.

If you are interested in participating or have questions about the study, please notify me by responding to this email or phone (###-###-####), and we can discuss a time and location to conduct our interview. If you wish to decline, no response is necessary.

Thank you for your consideration,
David

Appendix B—Interviewee Consent Form

CONSENT FORM

Please read this form and ask any questions you may have before agreeing to participate in the study. Please keep a copy of this form for your records.

Project Name	Information Technology Outsourcing Strategy Diffusion: A Qualitative Study of Actor Networks and Power in a Multinational Corporation	IRB Tracking Number	333172-1

General Information Statement about the study:

 In the increasingly competitive global economy, multinational corporations are constantly seeking to reduce their Information Technology costs. This is forcing firms to innovate their ITO practices, particularly in the IT function of application development. I am studying how these processes of innovation occur.

You are invited to participate in this research.
You were selected as a possible participant for this study because:

I have personaly contacted you because of your direct involvement in existing ITO initiatives at "Icarus".

Study is being conducted by:	David Johanek
Research Advisor (if applicable):	Dr. Donald R. LaMagdeleine
Department Affiliation:	University of St. Thomas	School of Education	Leadership, Policy & Administration Department

Background Information
The purpose of the study is:

The purpose of this research is to study how firms with large IT components like "Icarus" go about shifting IT sourcing philosophies in order to meet current and future market conditions.

Procedures
If you agree to be in the study, you will be asked to do the following:
State specifically what the subjects will be doing, including if they will be performing any tasks. Include any information about assignment to study groups, length of time for participation, frequency of procedures, audio taping, etc.

Your participation in this study will include one or more audio recorded interview. "Icarus" expects to conduct the outsourcing project over a one-year time period. Therefore, I am requesting you to engage in multiple interviews over this time period to understand your experiences throughout the process.

I will conduct interviews at your convenience. Interviews may be conducted in private conference rooms at "Icarus's" offices. Alternative locations include conference rooms at UST's Minneapolis Campus given the close proximity to "Icarus" offices.

Risks and Benefits of being in the study

The risks involved for participating in the study are:

The study has minimal risks. However it is possible that accidental discovery of interviewee participation by co-workers or employer might occur. To mitigate risks, I will use pseudonyms for participant and employer names in my interview transcriptions—participation in this study will remain confidential.

The direct benefits you will receive from participating in the study are:

The direct benefits you will receive for participating include having a confidential forum to discuss your perceptions of ITO work at "Icarus".

Compensation

Details of compensation (if and when disbursement will occur and conditions of compensation) include:
Note: In the event that this research activity results in an injury, treatment will be available, including first aid, emergency treatment and follow-up care as needed. Payment for any such treatment must be provided by you or your third party payer if any (such as health insurance, Medicare, etc.).

n/a

Confidentiality

The records of this study will be kept confidential. In any sort of report published, information will not be provided that will make it possible to identify you in any way. The types of records, who will have access to records and when they will be destroyed as a result of this study include:

Besides myself, only my Dissertation Chair will have access to interview transcripts, notes, and analysis, which will include pseudonyms for participant and employer names.

I am using an independent, third-party Transcription Service not affiliated with "Icarus" or UST. The Transcriber has singed a Confidentiality Agreement.

I will erase digital recordings they have been once transcribed.

I will use pseudonyms for participant and employer names on all records to de-identify participants and institutions.

Voluntary Nature of the Study

Your participation in this study is entirely voluntary. Your decision whether or not to participate will not affect your current or future relations with any cooperating agencies or institutions or the University of St. Thomas. If you decide to participate, you are free to withdraw at any time up to and until the date\time specified in the study.

You are also free to skip any questions that may be asked unless there is an exception(s) to this rule listed below with its rationale for the exception(s).

n/a

Should you decide to withdraw, data collected about you	will be used in the study

Contacts and Questions

You may contact any of the resources listed below with questions or concerns about the study.

Researcher name	David Johanek
Researcher email	XXXXXXXXXXXXXX
Researcher phone	XXXXXXXXXXXXXX
Research Advisor name	Dr. Donald R. LaMagdeleine
Research Advisor email	XXXXXXXXXXXXXXXXXXXXXXX
Research Advisor phone	XXXXXXXXXXXXXX
UST IRB Office	651.962.5341

Statement of Consent

I have read the above information. My questions have been answered to my satisfaction and I am at least 18 years old. I consent to participate in the study. By checking the electronic signature box, I am stating that I understand what is being asked of me and I give my full consent to participate in the study.

		Date	
Signature of Study Participant ☐ Electronic signature			
Print Name of Study Participant			

		Date	
Signature of Parent or Guardian (if applicable) ☐ Electronic Signature			
Print Name of Parent or Guardian (if applicable)			

		Date	
Signature of Researcher ☒ Electronic signature*			
Print Name of Researcher	David Johanek		

*Electronic signatures certify that::
The signatory agrees that he or she is aware of the polities on research involving participants of the University of St. Thomas and will safeguard the rights, dignity and privacy of all participants.

- The information provided in this form is true and accurate.
- The principal investigator will seek and obtain prior approval from the UST IRB office for any substantive modification in the proposal, including but not limited to changes in cooperating investigators/agencies as well as changes in procedures.
- Unexpected or otherwise significant adverse events in the course of this study which may affect the risks and benefits to participation will be reported in writing to the UST IRB office and to the subjects.
- The research will not be initiated and subjects cannot be recruited until final approval is granted.

Appendix C - Key Terms and Definitions

Icarus	Pseudonym for the firm where I conducted this research
Strategic Outsourcing Program (SSP)	Pseudonym for the outsourcing project I researched
Project Phoenix	Pseudonym for a (pre-SSP) outsourcing project at Icarus.
Manages services partnership	Also referred to as "co-sourcing deals," because the client and vendor share risk and reward. Functions in the managed services agreement remain part of the client's day-to-day operations, but are staffed with vendor personnel
Staff augmentation	The practice of augmenting IT teams with contractor labor. In these agreements, contractors perform tasks at the direction of employees on a time-and-materials basis
IT Reorganization	The IT matrix-organization started in 2009 and completed in 2010 that introduced the Business Technology and Project Delivery Teams (Figure 5.2)
IT Taxonomy	The general power structure of the Icarus IT Department (Figure 5.3)
Global Staffing Model (GSM)	A two-by-two grid developed by Icarus IT executives in 2010 as a guide for the type of IT functions are appropriate to outsource (Figure 6.1)
IT Revision	The consolidation of the Business Technology Teams under a single vice president in Year Three (Figure 8.2)

Appendix D – Icarus Key Organizational Roles

CIO	Reported to Icarus CEO, not included in interviews for this research
Vice President	Reported to the CIO
CIO Staff Meeting	A weekly meeting led by the CIO and attended by all of the IT vice presidents reporting to the CIO. Additional attendees included the director of Human Resources for IT and the CIO's Executive Assistant. In addition to reviewing the overall performance of the IT department, this meeting served as an escalation and decision making body for most major IT projects including SSP
Director	Typically reported to vice president or higher; responsible for function-wide strategies
Executives	Directors and vice presidents were viewed as the Icarus "senior leadership" team. "Executives" in this research refer to this group
Employees	References to "employees" in this research refer to all Icarus employees below the director level
Senior Manager	Typically reported to a director. This group was responsible for setting and executing strategies at a sub-functional level
Manager	Typically reported to a senior manager or director. This group was the first level in the organization that had HR responsibilities and employees as direct reports
Business Analyst	Typically resided in the Business Strategy Teams. These employees were responsible for working directly with business teams to define and prioritize business requirements for the Project Delivery Teams to build into Icarus systems
Project Manager	Typically resided in the Project Delivery Teams or the Infrastructure teams. These employees were responsible for managing multiple projects in a matrix environment, i.e. their project teams do not directly report to them. Senior project managers could oversee actives performed by multiple project managers
Engineer	Typically resided in the Project Delivery or Infrastructure Teams. These employees were responsible for building and supporting IT applications
Business Strategy Teams (BST)	Acted as the primary liaison with business teams and "owned" most of the budget used by the Project Delivery Teams, established application development priorities, roadmaps, and financial analysis to support their corresponding business units
Project Delivery Teams (PDT)	Comprised of project management and engineering teams for specific technologies or functions, (i.e. Application Testing, Mainframe, SAP), PDTs built and integrated new applications to support business priorities owned by BSTs
SSP Working Team	The team of senior managers and vendor management employees recruited by Richard and Donald to develop a communication plan informing employees of SSP, select a vendor, develop an onboarding plan for the vendor, and work with Human Resources to develop a plan to reassign impacted employees to new positions

Appendix E - Principal Actors

Jack	Pseudonym for the CIO.
Richard	Pseudonym for the primary VP accountable for the SSP program and the original sponsor of the program; this VP was in the Business Strategy Team at the beginning of SSP and moved into the Project Delivery Team during Year Three
Donald	Pseudonym for the original director from the Project Delivery Team who reported to the Richard and was responsible for the execution of the SSP program; this director was reassigned at the time of the contract award to ComTech and resigned from Icarus during Solution Development
William	Pseudonym for the new director from Icarus's Supply Chain field operations who replaced Donald who resigns from Icarus before the end of Early Implementation
Nancy	Pseudonym for the experienced IT director reporting to Richard who replaced William at the end of Year 3. Prior to working for Richard, Nancy reported to a different IT vice president, but had worked closely with Brenda for a number of years
Brenda	Pseudonym for the Business Strategy and Architecture VP post the IT Department Revision in Year 3; there are multiple director reporting to Brenda
Cynthia	Pseudonym for the Supply Chain Business Strategy Team director reporting to Brenda post the IT Department Revision in Year 3.
Shelly	Pseudonym for my boss who was the VP of IT Operations.

References

Banerjee, P. (2006). Indian information technology workers in the united states: The H-1B visa, flexible production, and the racialization of labor. Critical Sociology (Brill Academic Publishers), 32(2), 425-445. doi:10.1163/156916306777835295

Batalova, J., & Lowell, B. L. (2007). Immigrant professionals in the united states. *Society, 44*(2), 26-31. doi: 10.1007/BF02819923

Barton, C. (1998). *Howard hughes and his flying boat*. Vienna, VA: Charles Barton, Inc. (Original work published 1982)

Bass, F. M. (1969). A new product growth for model consumer durables. *Management Science,15*(5). 215-227. Retrieved from: http://www.jstor.org/stable/2628128

Bass, F. M. (2004). Comments on "a new product growth for model consumer durables": The bass model. *Management Science,50*(12). 1833-1844. Retrieved from: http://www.jstor.org/stable/30046154

Beverakis, G., Dick, G. N., & Kecmanovic, D. (2009). Taking information systems business process outsourcing offshore: The conflict of competition and risk. *Journal of Global Information Management*, 17(1), 32-48. doi:10.4018/978-1-60960-605-3.ch013

Blaskovich, J., & Mintchik, N. (2011). Information technology outsourcing: A taxonomy of prior studies and directions for future research. *Journal of Information Systems*, *25*(1), 1-36. doi:10.2308/jis.2011.25.1.1

Bogdan, R., & Biklen, S. (2007). *Qualitative research in education: An introduction to theories and methods. 5th Edition.* San Francisco, CA: Allyn & Bacon.

Bourdieu, P. (1977). *Outline of a theory of practice.* (R. Nice, Trans.). Cambridge, MA: Cambridge University Press. (Original work published 1972)

Bourdieu, P. (1984). *Distinction: A social critique of the judgment of taste.* (R. Nice, Trans.). Cambridge, MA: Cambridge University Press. (Original work published 1979)

Bourdieu, P. (1986). The forms of capital. In J. Richardson (Ed.), *Handbook of theory and research for the sociology of education.* (241-258). New York, NY: Greenwood. (Original work published 1983)

Bourdieu, P. (1993). *The field of cultural production.* (R. Johnson, Ed.). Cambridge, MA: Cambridge University Press.

Braverman, H. (1998). *Labor and monopoly capital: The degradation of work in the twentieth century*. New York, NY: Monthly Review Press.

Brown, J. S., & Duguid, P. (2000). *The social life of information.* Boston, MA: Harvard Business School Press.

Charmaz, K. (2006). *Constructing Grounded Theory: A Practical Guide Through Qualitative Analysis.* Los Angeles, CA: Sage Publications.

Clott, C. (2007). An uncertain future: A preliminary study of offshore outsourcing from the manager's perspective. *Management Research News, 30*(7). 476-494. doi:10.1108/01409170710759702

Creswell, J. W. (2007). *Qualitative inquiry & research design: Choosing among five approaches.* Thousand Oaks, CA: Sage.

Davidson, R., & MacKinnon, J. G. (1981). Several tests for model specification in the presence of alternative hypotheses. *Econometrica, 49*(3), 781-793. Retrieved from http://www.jstor.org/stable/1911522

Diamond, M. (1996). Innovation and diffusion of technology: A human process. *Consulting Psychology Journal: Practice and Research, 48*(4), 221-229. doi:10.1037/1061-4087.48.4.221

Dibbern, J., Goles, T., Hirschheim, B. & Jayatilaka, B. (2004). Information systems outsourcing: A survey and analysis of the literature. *Database for Advances in Information Systems, 35*(4). 6-1026. doi:10.1145/1035233.1035236

DiMaggio, P. J., & Powell, W. W. (1983). The iron cage revisited: Institutional isomorphism and collective rationality in organization fields. *American Sociological Review*, *48*(2), 147-160. Retrieved from http://www.jstor.org/stable/2095101

Economist special report: Outsourcing and offshoring (2013). Here, there and everywhere. *Economist, 406(8819)*, 3-20.

Ehigie, B. O., McAndrew, E. B., (2005). Innovation, diffusion and adoption of total quality management (TQM). *Management Decision, 43*(6). 925-940. doi:10.1108/00251740510603646

Goffman, E. (1959). *The presentation of self in everyday life.* New York, NY: Anchor Books.

Goffman, E. (1961). *Asylums: Essays on the social situation of mental patients and other inmates.* New York, NY: Anchor Books.

Gonzalez, R., Gasco, J., & Llopis, J. (2006). Information systems outsourcing: A literature analysis. Information & Management, 43(7). doi:10.1016/j.im.2006.07.002

Harvey, J. B. (1988). The abilene paradox: The management of agreement. *Organizational Dynamics. 17*(1), 17-43. doi: 10.1016/0090-2616(88)90028-9

Hong, J. F. L., O, F. H. K. (2009). Conflicting identities and power between communities of practice: The case of IT outsourcing. *Management Learning, 40*(3), 311-326. doi:10.1177/1350507609104342

Hu, Q., Saunders, C., & Gebelt, M. (1997). Research report: Diffusion of information systems outsourcing: a reevaluation of influence sources. *Information Systems Research, 8*(3), 288-301. doi:10.1287/isre.8.3.288

Jackall, R. (2010). *Moral mazes: The world of corporate managers.* New York, NY: Oxford University Press. (20th Anniversary Edition)

Karamouzis, F. (2012). *Outsourcing trends, 2011-2012: Market forces accelerate change in IT services.* (Report No. G00226784). Retrieved from Gartner database.

Kuhn, T. S. (2012). *The structure of scientific revolutions.* Chicago, IL. The University of Chicago Press. (50th Anniversary Edition)

Lacity, M. C., Khan, S., Yan, A. & Willcoks, L. P. (2010). A review of the IT outsourcing empirical literature and future research direction. *Journal of Information Technology, 2012*(25). 395-433. doi:10.1057/jit.2010.21

Lacity, M. C., Rottman, J. W. (2009). Effects of offshore outsourcing of information technology work on client project management. *Strategic Outsourcing: An International Journal, 2*(1). 4-26. doi:10.1108/17538290910935864

Lincoln, B. (1989). *Discourse and the construction of society: Comparative studies of myth, ritual, and classification.* New York, NY. Oxford University Press.

Loh, L., & Venkatraman, N. N. (1992). Diffusion of Information Technology Outsourcing: Influence Sources and the Kodak Effect. *Information Systems Research*, *3*(4), 334-358. doi: 10.1287/isre.3.4.334

Lunblad, J. (2003). A review and critique of Rogers' diffusion of innovation theory as it applies to organizations. *Organization Development Journal*, 21(4), 50-64.

Luthra, R. R. (2009). Temporary immigrants in a high-skilled labour market: A study of H-1Bs. Journal of Ethnic & Migration Studies, 35(2), 227-250. doi:10.1080/13691830802586237

McCarthy, M. C., Green, C., Matzke, P., Lisserman, M. (2011). *The reinvention of product development services—The next generation of service offerings spurs market growth*. Retrieved from Forrester Research database.

McMaster, T. (2001). The Illusion of Diffusion in Information Systems Research, in M .A. Ardis & B. L. Marcolin (Eds.), *Diffusing Software Products and Process Innovations* (67-85). Boston, MA: Kluwer Academic Publishers.

McMaster, T., & Wastell, D. (2005). Diffusion or delusion? Challenging an IS research tradition. *Information Technology & People, 18*(4), 383-404. doi:10.1108/09593840510633851

Mahajan, V., & Peterson, R. A. (1985). *Models for innovation diffusion*. Beverly Hills, CA: Sage Publications.

Maxwell, J. A. (2005). *Qualitative research design: An interactive approach.* Thousand Oaks, CA: Sage Publications.

Peres, R., Muller, E., & Mahajan, V. (2010). Innovation diffusion and new product growth models: A critical review and research directions. *International Journal of Research in Marketing*, 27(2), 91-106. doi:10.1016/j.ijresmar.2009.12.012

Rogers, E. M. (2003). *Diffusion of innovations*. (5th ed.). New York, NY: Free Press.

Shelly, M. (2009). Frankenstein or the modern prometheus: The 1818 text. (Butler, M,. Ed.). New York, NY: Oxford University Press. (Original work published 1818)

Strauss, A., & Corbin, J. (1998). *Basics of qualitative research: Grounded theory procedures and techniques*. Newbury Park, CA: Sage Publications.

Tapper, D. (2011, December). *Worldwide and U.S. IS outsourcing services 2011-2015.* (Report No. 231417) Retrieved from IDC database.

Tatnall, A., & Gilding, A. (1999). Actor-Network Theory and Information Systems Research. *Innovation, 1*(4), 955-966. doi:10.4018/jantti.2009062304

Taylor, F. W. (1998). *The principles of scientific management.* Mineola, NY: Dover Publications, Inc. (Original work published 1911).

Vitasek, K., Ledyard, M., Manrodt, K. (2013). *Vested outsourcing: Five rules that will transform outsourcing* (2nd ed.). New York, NY: Palgrave Macmillan.

Wacquant, L. (2005) Habitus. In J. Becket & Z. Milan (Eds.), *International Encyclopedia of Economic Sociology*. (317-321). London, England: Routledge .

Watts, J. R. (2001). The H-1B visa: Free market solutions for business and labor. *Population Research and Policy Review*, 20, 143-156. Retrieved from: http://www.jstor.org/stable/40230302

Zavodny, M. (2003). The H-1B program and its effects on information technology workers. Federal Reserve Bank of Atlanta Economic Review, 1-11. Retrieved from: http://www.frbatlanta.org/filelegacydocs/ACF6CBD.pdf