SHARED SERVICES 2.0: COMPETENCIES AND CAPABILITIES IN A MULTINATIONAL INSTITUTION

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Abstract

Action research and action learning have been applied in a shared service organisation as part of a global financial institute. Shared services aim for benefits, such as economies of scale and quality improvements for internal clients. However, various research indicates that there are also side effects. This research project starts from known issues of a local shared service entity with regard to its shared service delivery to clients and end-users. The concept of competencies and capabilities, as key focus areas to differentiate in competition, is applied through action learning sets. Based on two action cycles, primary and secondary data are captured, analysed and processed. Action learning is achieved for the learning set members for their personal development. The organisation also gains learning and competency from the project. Finally, the project suggests solutions to performance and quality issues as well as knowledge to apply action research and action learning in future projects. Limitations and directions for future research are also presented.

Declaration of own work

This project was written by me and in my own words, except for quotations from published and unpublished sources which are clearly indicated and acknowledged as such. I am conscious that the incorporation of material from other works or a paraphrase of such material without acknowledgement will be treated as plagiarism, subject to the custom and usage of the subject, according to the University Regulations on Conduct of Examinations. The source of any picture, map or other illustration is also indicated, as is the source, published or unpublished, of any material not resulting from my own experimentation, observation or specimen-collecting.

Joerg Zeugner

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List of Definitions

Customer or client, internal	legal entity with the same majority shareholder
Customer or client, external	legal entity with different majority shareholder(s)
FC	Finance
FM	Facility Management
HR	Human Resources
IT	Information Technology
Outsourcing	service provider outside a group company with different shareholders than the group company
PIC	Person in charge on the customer side for a particular service provided by the service provider
Recipient	customer of the shared services and receiving the services
Related party	organisation with same majority shareholder(s)
Shared service	a service or a function that is provided and used by more than one organisation with the same majority shareholder(s)
Shareholder	owner through shares of another legal entity
SLA	Service Level Agreement
SLO	service level objectives, targets of defined values of service level parameters
Stakeholder	any person or organisation or company that has any touchpoint with the shared services
User or end-users	an individual person employed by the recipient/ client and consuming a service

1 Introduction

This thesis has been prepared based on an action research and action learning project as part of an internal shared service organisation offering services to a global financial company. The business units and entities of the group company are operating in asset management, corporate insurance and retail insurance. The research problem is part of the Singapore based branch (SB) of the global shared service organisation (SSO). I became a manager in the SB in 2012 in charge of finance and controlling. With the merger of one shared service (Facilities Management, FM) in 2013 and the second merger of Information Technology (IT) in 2015, I became the head of services. These two services have been merged from former insurance companies to my shared service organisation. After the second merger, I have observed negative feedback and complaints from clients and end-users. Users complained about the quality and also the efficiency of the services. Questions about the appropriate competence and capabilities have been raised by clients.

In order to get answers to the questions raised by the clients, I have applied action research in my shared service department. The initial objective was to understand if there really is a problem of shared services. Thereafter I aimed to analyse the problems and finally find suitable solutions to potentially improve the situation. Action research and action learning with a survey, various workshops, and customer as well as end-user meetings have helped to propose solutions in order to address identified problems.

Globally the SSO has about 4,500 employees. My entity SB has about 60 employees. Within two years the Services department grew from zero to twenty employees. The key drivers of growth were the mergers of departments from other parts of the Group Company. From an initial single shared service organisation, the range of services expanded to HR, IT, FM, administration, office management, travel management, procurement, and project management. The entire transition was a “lift and shift” approach. Staff simply kept doing the same things, with the same tools and processes. There was no integration or optimization considered. In the industry, there is a trend of expanding shared services even further. Currently, there are Finance services mostly used, followed by HR and administration services (Bergeron, 2003; Ulbrich, 2006).

The aim of shared services is to become multi-functional "end-to-end" customer services. Generally, it is assumed that efficiency gains would be high. At the same time complexity of shared services is high. The adaption of each case is organisation specific with unique requirements. Different views are available with reference to functions, process, service provider, location, and operational matters (Deloitte, 2014).

Shared services generally aim for higher efficiency and effectiveness through economies of scale and scope of the related services and functions. As a result, functions such as finance, HR or administration can be executed on a lower cost base. In order for this to be achieved, the shared service organisation requires the underlying competence and capabilities of delivering such services. It means the organisation has the technical tools and processes established, hence it has the competence (Prahalad and Hamel, 1990). In order to use the tools and processes the right capabilities by the employees of the shared service organisation must be available (Ulrich and Smallwood, 2004).

The research has started based on the practical problem of complaints about efficiency and quality of shared services. However, it has been articulated on a rather subjective basis. Hence, I have initiated a structure approach to research the potential problem. Based on the concept of shared services and expected benefits, I have established the framework of competencies and capabilities. Feeny et al. (2005) support this consideration with their respective argumentation of the need for a critical evaluation of their own as well as potential future provider's capabilities and competencies. Only based on such evaluation a decision should be made what functions will be outsourced as well as to which provider. Based on the framework of capabilities and competencies, I was able to conduct a detailed analysis and assessment of the two shared services FM and IT. The challenges of my organisation were diverse. Firstly, due to historical reasons, there were inconsistent approaches towards the customers of services. Different services approach customers in a different way. There were no common tools or processes in place. There were inherited service specific silos. As a result, clients and end-users shared feedback and complained about low quality of services. Furthermore, clients had subjective perceptions that our internal shared service providers were performing worse than a third-party provider.

Action research application and learning aims to achieve the following research objectives:

- Measure and analyse the customer satisfaction of the current services
- From customer satisfaction score evaluate if there is a problem
- Define issues based on the framework of competencies and capabilities
- Suggest improvements of current services
- Aim to develop a plan to improve competencies and capabilities

The following research questions will be answered:

- How can my shared services be improved for the customers?
- How can a framework of competencies and capabilities help to improve shared services?
- How has action research and action learning helped my shared services to improve?

Currently there are only limited research results available comparable to my organisational setup and research environment. One reason could also be the difficult accessibility of an external researcher to an organisation. Therefore, I consider myself to be an asset as a central part of my global company. I might be able to close the gap between rigour and relevance aspects of research (Kieser and Leiner, 2009). At the same time, I aim to provide benefits and useful results to the company (Mohrman, Gibson and Mohrman, 2001).

In the following I will outline the structure of the thesis. The next section provides an overview about the Group Company and my shared service entity. The two services (IT and FM) have been merged into my shared service entity from other entities in the group. However, the customer feedback has been very negative. Hence, as department head, I had to investigate the feedback and look for solutions to improve the situation. As part of the literature review (Chapter 3), I explain the benefits as well as side effects of shared services. Shared services basically provide opportunities for economies of scale as well as to focus on the core business for both the customer and the shared service provider. As a result, shared service organisations and client organisations aim for the required competencies and capabilities, making them available and maintaining them. Shared services only generate the expected benefits of the customers if the relevant competencies and capabilities are available, or else the customers may end up with complaints and additional costs opposed to generating benefits. Hence, I intend to answer the questions for my shared service entity, how improved competencies and capabilities can generate benefits. The action research took place in two cycles, described in chapter 4. At first, the learning set had to collect and analyse data in order to understand the underlying issues. Secondly the learning sets discussed and reflected these issues and proposed solutions to improve the situation. Finally, the learning sets clearly connected the end-user and customer feedback with competencies and capabilities (Chapter 5). Based on these, the learning sets were able to identify and design more than 20 solutions. Finally, the organisation and learning sets have gained know-how that has been applied during the research project (Chapter 6). I have also gathered unique knowledge that I have applied during the project and will also apply in future projects (Chapter 7).

2 Research environment: situational analysis

Given the rather unique context of this research project, I present in this chapter the relevant environment of the organisation. I will highlight the specifics in terms of industry as well as how the organisation has evolved and reached the current state. This sets the scene as a starting point of the action research as well as the literature review in the subsequent chapter.

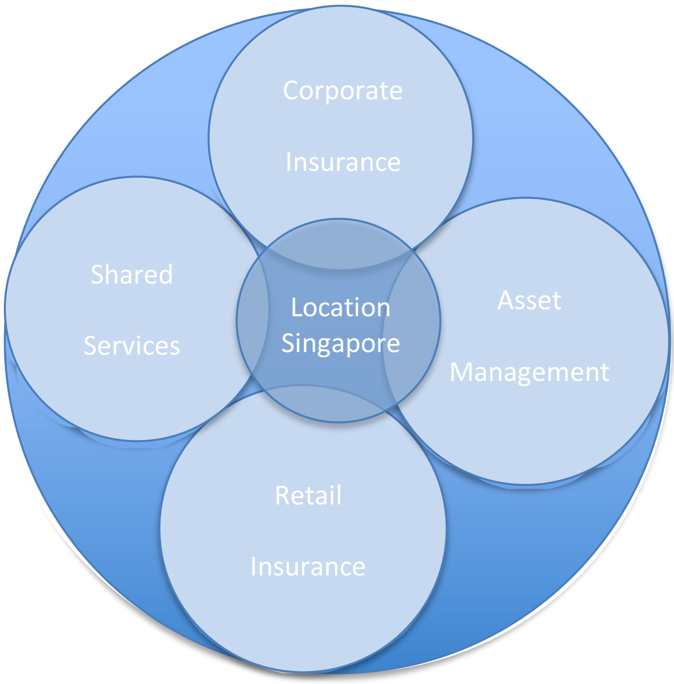

Figure 1: Group Company schematic

My organisation is a global financial institute and organised as a Group Company, which means there is a shareholding company with related entities. As presented in Figure 1, these entities operate in different verticals of insurance and asset management. One element of the Group Company is also Shared Services, which provide services to the entire Group Company and its different businesses and entities. My local entity and organisation in Singapore is part of the Shared Services vertical. As part of the location in Singapore there are also other entities from insurance and asset management.

My Group Company is going through a transformation due to overall challenging times for the insurance industry in the past decade, according to Accenture (2013). The financial performance of investment portfolios has been low. The costs of risks and regulatory compliance are increasing dramatically. As a result, cost cutting, reducing head counts and postponing projects is rather common.

In addition, the insurance market is facing a significant shift in consumer behaviours due to digitalization. More and more customers expect online sale opportunities. Therefore, 84% of insurance executives claim that a response to such changing consumer behaviours is important or very important to be responded to (Accenture, 2013).

Research also confirms that the insurance industry is facing permanent challenges of pressures from the low interest rates, higher customer sensitivity and competition as well as increasing regulations. As a result, cost advantages seem 'the' factor of competitive advantages. This can be achieved by reducing complexity in terms of products, processes, and IT (Muenstermann, Vogelgesang and Paulus, 2015). In addition, the focus is on both economies of scale with optimization of locations for support functions and digitalization. Further enhancements of standard IT processes enable significant cost reductions. Finally, a lasting effect is achieved with a cost-conscious mind set and continuous improvements. Performance management is basic in change of behaviours, performance metrics, targets, and performance dialogs. Finally, a successful company will gain spare resources in order to compete from a better position (Muenstermann, Vogelgesang and Paulus, 2015).

However, many companies are in the dilemma of attending to the rapidly changing customer needs and the requirements of maintaining old legacy systems for their existing clients, which are rather difficult to change. It is a question of moving resources from the maintenance to developing new digital features or postponing the new digital changes. In addition to that dilemma, new competitors without legacy systems enter the market and achieve significant market shares in a short time period. Because of these challenges, insurance companies are looking for solutions and consider outsourcing and shared services (Levina and Ross, 2003; Accenture, 2013).

Insurance companies are confronted by the recent change of customer requirements and more and more customization of products and services. Hence, old products are not offered anymore and are considered as "closed block" activity, which requires dealing with customers who are not paying anymore but still occupy significant resources. As a result, insurance companies are trying to outsource the management of such "closed blocks" products. In return, the company can focus again on the recently demanded products and clients with the resources (Levina and Ross, 2003; Deloitte, 2014).

Resources are also bound by inflexible IT platforms. The legacy systems were built many years ago based on those technical standards. The systems are still running. However, the systems are not capable to be adopted as per the latest technologies and IT requirements. Hence, a company has to maintain those systems while building up another system to cater to the new requirements (Deloitte, 2014). Given the complex requirements in terms of products and customers, insurance companies are running the same and similar IT operations in parallel and multiple times. As a result, there are a lot of inefficiencies included. In addition, the naturally run-off business from the closed blocks let the costs per policy increase more and more (Deloitte, 2014).

In the insurance industry there are widely used arrangements labelled as 'delegated authority' or also as 'outsourcing'. These are constructs in which insurers involve intermediaries or other third parties to take care of certain functions. Such outsourcing can be in various forms and relate to various stages in general as well as more specifically in an insurer's product life cycle (Feeny, Lacity and Willcocks, 2005; Financial Conduct Authority, 2015). In the context of this research, the service provider is the internal shared services provider of the Group company. The core vision of the service provider is to provide best-in-class services in the fields of IT infrastructure, applications and business services to the Group company with all its business entities.

The global mission of the shared service provider is to transform the Group into a ‘Digital Group’. Due to high competition, the Group company is under pressure to remain competitive. One of the strategic focus areas is to digitize the organisation in terms of products and processes. The shared service provider supports the Group company by achieving those strategic goals. Part of the Group company's strategy is to maintain the leading market position through exploiting synergies and by building innovation adoption. As a so called 'partner of choice' to all entities of the Group company, the shared service provider brings projects and services underpinning the other Group entities' competitiveness and differentiation to life. Essentially, as the internal shared service company and IT service provider, the service provider has the mandate to constantly increase added value of its services around the globe by reducing costs while providing a high standard of quality.

The shared service provider has specific characteristics (Table 1 and further discussed in section 3.1.1) and referred to Ulbrich (2006).

Table 1: Characteristics of the shared service organisation as research object (Ulbrich, 2006)

▪ Legal: separate from other entities with own legal identity ▪ Shareholder: service provider and recipient have the same shareholder(s) ▪ Location: independent from headquarters and other group entities in different offices and locations ▪ Tasks and activities: strategically not important for service receiving customers ▪ Economies of scale: aiming for better supplier prices and terms for procurement negotiations ▪ Financials: improved working capital and financial risk management for service recipients and overall Group company ▪ Knowledge: consolidation of best practices of shared services and improved services for recipients ▪ Recognition: improved employee recognition of shared services staff ▪ Customers: more orientation towards service recipients ▪ Relationship: recipient and supplier relationship

Customers' expectations are usually higher than what the service provider would expect to provide. There tends to be a natural gap in terms of service delivery expectations. Therefore, it is crucial to find and apply an approach that helps to make the gap transparent and intends to close the gap (Luk and Layton, 2002).

The service provider was another reason for such an expectation gap because of the merger of two departments from other group entities to the service provider. These group entities had other core businesses and competencies, and no shared service provider. The research organisation is, for the group company, supposed to be the shared service provider for all other entities. Therefore, the strategic decision was made that two departments will be carved out and merged from one entity to the shared service entity. However, with the merger into the shared service organisation the anticipated changes and improvements did not happen. There was rather a "lift & shift" without any changes or improvements.

There are recipients, which are the legal entities of the group organisation focusing on financial and insurance related products and services. The recipients and shared service provider have the same shareholder. Recipient refers to the party that has contracted with the shared service provider. Based on the legal agreement, there are certain service level agreements in place (refer to section 3.6 for details). Each of the recipients have users of the services. Each user is an employee of the recipient with certain job roles and responsibilities. The service provider enables the employee to do their job roles and responsibilities. For instance, an employee as a user usually requires an email account. Without an email account there is unfortunately, in the current working environment, no working or collaboration possible. An employee simply needs an email account for communication with Human Resources, with their managers, with their team members or even their corresponding customers. The service provider will prepare and setup such email account.

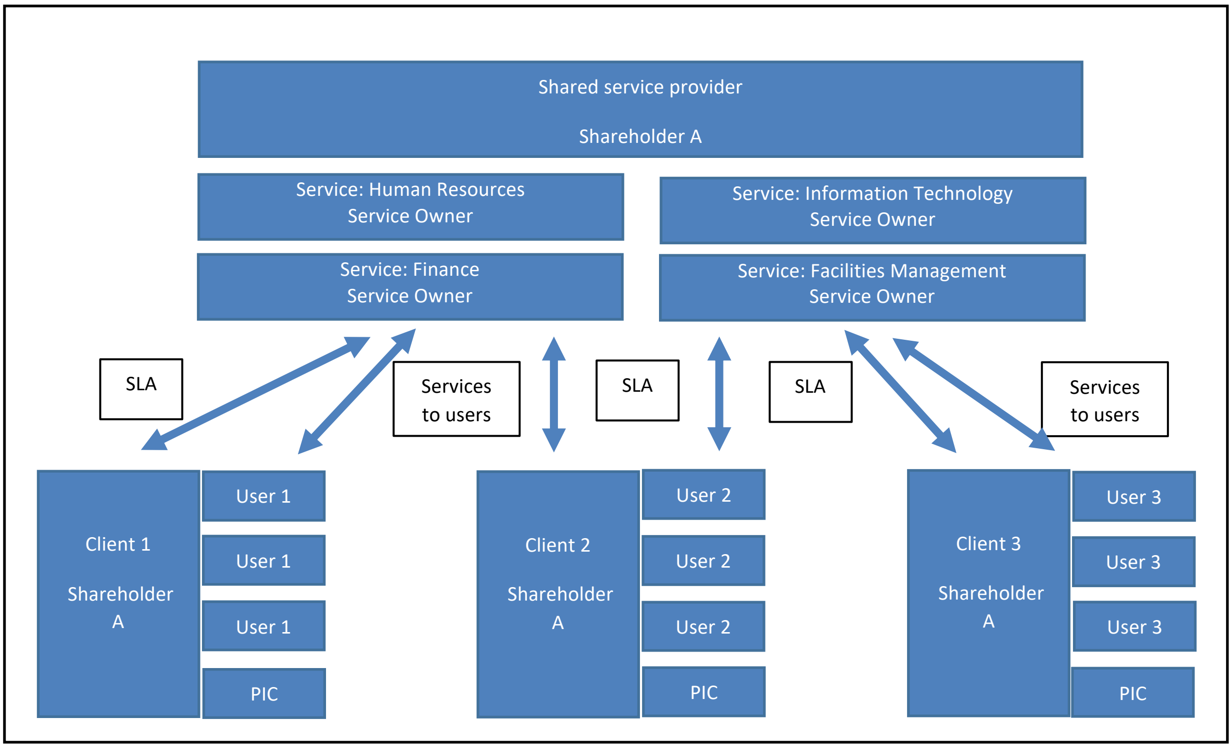

Figure 2: Schematic relationship service provider, customer, and user

On the customer side there is a so called ‘person in charge‘ (PIC) for the corresponding service received. For instance, there is for one customer one PIC responsible to maintain the relationship regarding IT Helpdesk services. This person will review the monthly reports as well as receive feedback from users or the management in regard to the particular service provided. The PIC will then report to the service provider. On the side of the service provider there is the so called ‘service owner’. The service owner is responsible and accountable to provide the service. The service owner will also liaise with the various PIC on the recipient side. This is done almost on a daily frequency in a more informal way.

However, the service delivery has to consider the service level agreement (SLA) as contractual and legal relationship between provider and client, as outlined in section 3.6.3 regarding the typical characteristics of SLAs (Karten, 2004). In the following section I outline the essential characteristics of the SLAs between recipients and service provider.

For the performance measurement of SLAs in facilities management there is the consideration of time, quality and costs. Service providers have generally accepted these aspects of performance measurement as business strategy for their services and organisations. In addition, there could also be ambiguity about services. For instance, there could be a misunderstanding created by not clearly defined services or by false assumptions of either party, which can result in conflicts between the client and provider, which ought to be discussed and resolved (Xianhai and Michael, 2011).

The following Table 2 presents the aspects of SLA included in the relationship of the shared service provider and the client in this organisation. In addition, aspects that are not considered are also indicated.

Table 2: Outline content of SLA (Karten, 2004)

- Quantifying the number of queries to be handled by SP within IT and Facilities Management
- Type of requests the shared service handles
- Agreements on the relevant costs for the services
- Agreements on the time taken to handle each request and incident
- Establishing the chain of command and establishing responsibilities of each individual client
- Channels through which queries may be passed down
- Service standards, such as the timeframes within which services will be provided
- Service agreements in compliance with global Group company standards
- Third party suppliers for certain activities as part of the service provision
- Key responsibilities of each party, e.g., providing the services, receiving the services, remuneration of the services
- Dealing with disagreements between personnel in charge of SP and customers
- Process and frequency of review and revision of SLA

Besides those items, the following items in Table 3 are not considered and not mentioned in the SLA. However, these items could be of significance in terms of shared service provider and client in order to achieve expected benefits.

Table 3: Outline not included in SLA (Karten, 2004)

- Quantifying expected target cost savings
- Time taken for emergency queries
- Maximum and mean time taken to respond to queries/ emergency/ resolution/ downtown recovery
- The percentage of queries that cannot exceed the maximum times (e.g., 5%)
- Cost vs. service trade-offs
- Outlining how emergency queries would be handled
- The responsible managers or higher level responsible for approving budgets
- Identifying the process in the case of a breach of fiduciary duty of SP
- How service effectiveness will be tracked
- pre-agreed KPIs
- Reporting standards of KPIs

2.1 History of the service provider

The shared service provider started as early as 1998 as a merger of three IT departments from three different lines of business organisations of the global Group company. In 2003, a merger with another IT shared service provider occurred as a result of a global merger of the Group company with another big financial institute. Both IT shared service providers were merged to one shared service organisation. Over the following years until 2010, the shared service provider expanded within Europe with the foundation of branches and entities. The focus became more global and, beyond IT, also other shared service areas such as operations, real estate, procurement and financial services. More branches were founded in Europe, Singapore, India and Thailand (Figure 3).

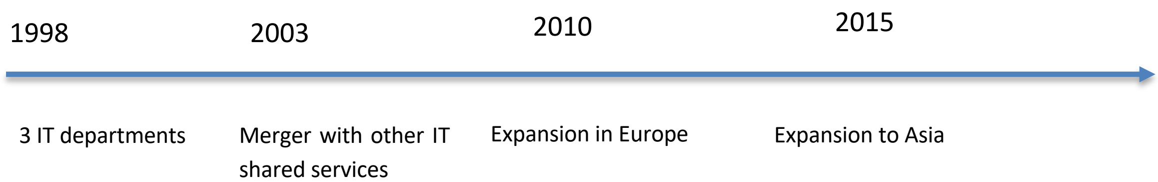

Figure 3: Schematic timeline SSO history

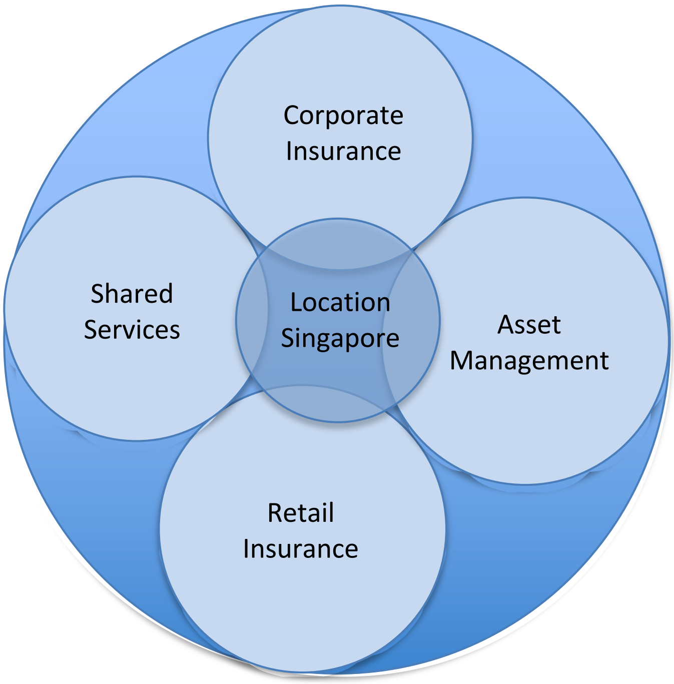

Figure 4: Schematic group structure of different business entities

The SSO offered various kind of services to the Group company. The main focus area was IT. Such IT related services included infrastructure services, e.g., global network telecommunications solutions, cloud-based data storage with regional data centres and virtual clients for employees. Another service area was application solutions with a focus on core insurance applications, corporate function platforms and analytics platforms. The third main service area was Business Services with areas such as transactional processes and expert services in Finance and Human Resources. Procurement and FM Services tried to optimize the spending of the Group company and internal consulting focused on management and process consulting.

2.2 Services in Singapore

The setup of the Shared Service branch in Singapore (SB) started in 2011 with a focus on Data Centre and Business Consulting Services. However, at this point in time there were already nine other business entities operating in Singapore. The largest business entities already had one IT department and one FM department. These two departments were part of insurance business entities. These two departments also served the other entities with IT and FM services. Given the service provided from the two business entities to the other related entities, it indicates that shared services were in place already. However, the shared services were part of entities with their core business insurance.

For each of the insurance businesses, it has usually taken significant amounts of time and effort to maintain a shared service besides the insurance business. The customers of the shared services had to be served as well as the financial regulator usually had to be reported to. According to my discussions with the legal and compliance person of the insurance business, on the one hand, the regulator had to ensure that the shared service business does not interfere with the insurance business in terms of financial risks and assets. The insurance customers had to be protected. On the other hand, in order to achieve this, the insurance business had to maintain resources in order to ensure compliance with the shared services and service level agreements. This indicates that operating two different types of business requires additional resources that could support any core business.

With the foundation of a local branch of the global shared services, the decision makers of the insurance entities started a discussion how their shared services IT and FM could be transferred to the newly setup shared service entity. As a consequence, each business entity would be able to focus on their core business.

However, as part of this transfer, there was not a detailed and thorough due diligence done. As part of a due diligence, it could have been turned out already that the two services were not performing as these may needed to perform. A due diligence might have made the performance or a lack in competencies or capabilities obvious, as suggested by Feeny et al. (2005). However, due to the situation of being an internal transfer, I assume the due diligence was not conducted thoroughly. There is also a conflict of interest. The insurance companies had the desire to transfer the shared services to someone else. As indicated, the insurance companies would be able to focus on their core business. Hence information sharing and efforts on a due diligence would have been minimal.

The other conflict of interest is that the new founded shared service entity wanted to take over the two services in order to increase the customer base and its own service portfolio. As a result, the shared service entity was also not motivated to conduct a thorough due diligence. Hence, the actual performance and service delivery of the two services was not discovered in detail. Therefore, the need of change and improvements was not apparent beforehand. Only with me becoming in charge and overseeing the two services it became apparent that the two services were not performing well and that customers had concerns.

These services have, in particular, a very high frequency and many user interactions. In the global organisation of the shared service entity there are teams in different countries in Europe providing both services. The merger, however, did not include a transformation of services and standards according to the service provisioning in other locations. For instance, in Europe there are other standards and processes applied. The two teams in Singapore continued working in the same approach with the same standard operating procedures as a part of the other insurance entities.

IT Helpdesk included first, second and third level support of incidents and requests provided by the end users. It covered user account creation and password lockout, and problems with standard functions such as emailing, printing, network connectivity, telephony. It also included the provision of hardware such as telephones, laptops, monitors, and mobile devices. The procurement of the hardware was also done by the team. The services also included the arrangement, maintenance, and execution of disaster recovery activities for the customers.

FM Services consisted of so called ‘Hard Services‘ and ’Soft Services‘. Hard Services included maintenance of office and critical equipment facilities. Services also included the procurement and management of fit out of new office space, and the renovation or alteration of such spaces. Hard Services included routine checks of the facilities and responsibility to keep all the facilities functional. Cleaning the office spaces, meeting rooms, pantries and other areas was also part of the Hard Services.

Soft Services included services such as receptionist services to welcome guests and visitors, internal hard mail distribution, posting of external mail, and procurement of goods and services for the customers. In addition, services included the application and assurance of compliance to local authorities with regard to the facilities. Other services were the preparation of events in a training and event space.

IT Helpdesk services were provided locally by a team of internal staff and external contractors. The team also required a portfolio of tools and other subservices in order to provide the agreed services to the recipients and their users.

FM services were provided by a team of internal staff and one external contractor that provided staff. The external contractor had further subcontracted certain services (as outlined in Figure 5).

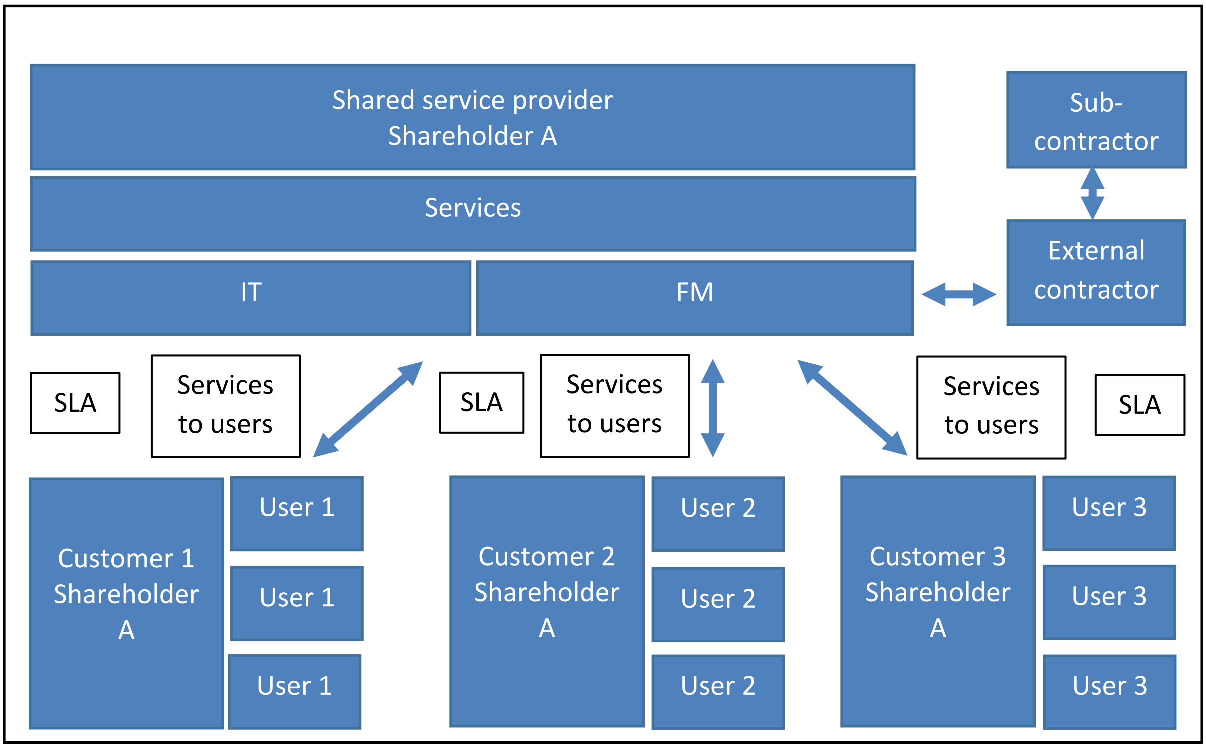

Figure 5: Schematic model service delivery

2.3 Team

The services were provided by two teams and a supporting team. The IT team consists of one manager, six help desk staff members and one staff member for administration and procurement tasks. The FM team consists of three layers. Firstly, there is the internal team led by a manager and five executive staff members. Secondly, there is the external provider with a manager and three staff members. Thirdly, there is the external provider’s subcontractor with a manager and six staff members. The third layer is not part of the research scope. The supporting team is the Services team consisting of three staff members. The roles and responsibilities of the service team were very broad and general to support the department in meetings, interactions with clients, events, and projects. The tasks and topics of the Service team were not part of the SLAs and service delivery. However, the tasks and activities supported to achieve and maintain the SLAs.

The whole department with the three teams has as a multi-cultural background as the whole organisation. The teams consisted of six Chinese, five Singaporeans, four Malaysians, two Indians, two Filipinos, one Indonesian and one German.

The rather diverse and mixed team could also introduce certain complications. For instance, it is assumed that the structural setup of external provider and internal employees creates issues of trust, motivations and team collaboration (Wynstra, Van Weele and Weggemann, 2001).

2.4 Acquisition of the services

In the SB, the acquisition of the two shared services occurred in two different stages. In 2013, the FM services were merged. The second stage was in 2015 with the merger of the IT services. The mergers were implemented based on a ‘lift & shift’ approach. Existing legal agreements with external third parties were novated from the former service provider to the new provider based on novation agreements. Novation agreements are contracts that request consent for a transfer of an existing agreement between parties. The reason for such transfers is that they are a part of corporate mergers or consolidations (Manos, 1996). The novation agreements included three parties: the former service provider, the new service provider, and the external contractor for a corresponding service. The same procedure applied for the novation from the former service provider to the new provider and the customer. There was for each customer one novation agreement as a three parties' agreement. The novation agreement stated that the terms and conditions of the existing service level agreement remain in force. There is only a change in the service provider from one legal entity to another legal entity, which is the new service provider. The recipient remained unchanged. That construct is displayed in Figure 6.

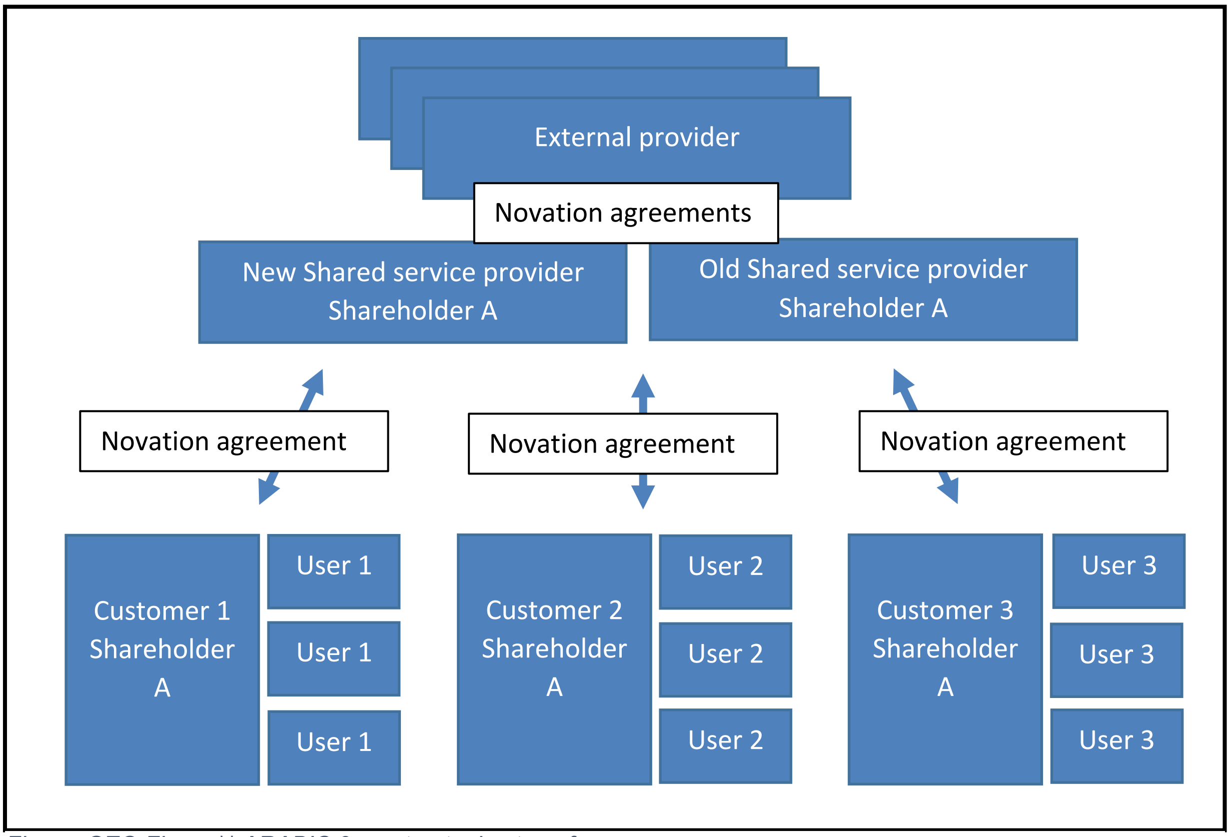

Figure 6: Schematic novation agreement and stakeholders

The third-party external providers were informed about the suggested mergers. Since there were existing agreements in place between the former internal service provider and the new service provider, the third parties were asked for their consent of the merger and if there is agreement to retain the terms and conditions in place and only change the service receiving party name.

With regard to Human Resources the affected staff had to agree to the transfer to the new employer, which was the shared service provider. Some of the staff had been under union coverage. Therefore, the union had to agree to the transfer of staff. The main focus had been on the retention of the benefits provided. After agreement with the unions, the staff finally agreed and signed the new employment contracts with the new shared service provider.

In summary, the context of the action research is a branch of a global shared service organisation (SB) which is part of a global financial institute. SB has grown over two years by merging two teams and departments from other related insurance business entities. There is a client base of ten business entities as well as more than 560 end-users served. There are also multiple levels of contractual relationships in place.

However, after taking over both the services, I observed that the service delivery was not running smoothly. Firstly, end-users and clients commonly complained about certain performance and quality issues. Secondly, certain competencies and capabilities were not according to our other shared services standards and procedures. Hence, as being in charge of the two services, I had to get a detailed understanding of the issues raised as well as the root causes. Based on those, I aimed for improvements of the situation for the benefit of the end-users, clients and my shared service entity.

The following literature review provides insights into shared services. It provides reasons why shared services have been created. I point to the relevance for companies to focus on the core business as a crucial element for long-term success and survival. In order to achieve that, the relevant competencies and capabilities have to be available for an organisation. If it is not given, a shared service provider would not be able to deliver the services according to SLA and according to end-users' expectations. This is the starting point of my action research project.

3 Literature Review

In the following review of literature, I will provide an overview of shared services as well as set the framework around competencies and capabilities. I consider the definition of shared services, provide reasoning for the existence of shared services, e.g., focusing on core competencies and core capabilities. I will outline other motivations for and benefits of shared services for clients (e.g., economies of scale), any risks (e.g., dependencies of important functions) as well as lessons already learned for optimization of their application. The review will also consider how shared service evolved and what parts of the shared services are relevant for this research project. Finally, I will conclude with the framework that guides my research based on the optimisation of competencies and capabilities of shared services for the benefits of the shared service provider and its clients.

The literature review presents broad and detailed insights into shared services, competencies and capabilities. There are three fundamental research papers, which I introduce in the following. Firstly, most recently and comprehensively, Richter and Brühl (2017) have summarised in their research that more than 75% of Fortune 500 companies are using models of shared services. The overall aim of them is higher performance through lower costs and better services. In their more than 200 papers analysed research, concrete results of operationalised shared services are discussed. Secondly, Ulbrich (2006) provides a comprehensive but more detailed perspective on business processes as part of shared services. It is relevant to the research conducted as it aims to improve efficiency of existing services. Thirdly, the research of Forst (2001) also elaborates on practical examples of the shared service application over a decade, which provides high relevance to this research project. Along with the review and discussion, the critiques and unreached expectations of shared services are also presented.

As the starting point of the deeper discussion about shared services, the following section will provide an outline of what shared services are.

3.1 What are shared services?

Shared services are defined as a unit of concentrated business functions with common management practice in order to deliver best services at the lowest costs to internal clients. In a shared service organisation, a relationship between customer and provider is established in the same way as it would be with external third-party providers. The efforts required by third party providers to gain competitive advantage need to be translated into establishing and maintaining a fruitful internal relationship for both sides. Customers usually define the services required and the provider is measured against clearly defined targets (Forst, 1997).

Shared Services serve as a medium for collectively providing administrative functions to optimize the delivery of economical, flexible, and consistent services to all end-users (Ulbrich, 2006). Typically, several functions, e.g., Finance (FC), HR, and IT, are working together to streamline and standardize administration and infrastructure. The objective is to present one face to end-users.

Shared services are part of a bigger organisation but act independently. The services are selected, well-defined and common for the entire organisation. The shared services idea also includes valuing the existing in-house knowledge, resources and culture for the benefit of the bigger organisation. Outsourcing is considered similar but through a contracted and unrelated external third-party provider and their resources (Levina and Ross, 2003; Feeny, Lacity and Willcocks, 2005; Ulbrich, 2006).

Shared services can also be viewed as a common strategy to concentrate existing business functions into a new semi-autonomous business unit. The new unit should have management in place to improve efficiency, generate value, realise cost savings, and improve services for the internal clients of a group organisation. A shared service unit is separate and accountable but still only *semi-autonomous* within an organisational group of entities (Bergeron, 2003). This would be opposed to outsourcing, which is considered as contracting out a certain function, e.g., IT, to a third-party vendor. The third-party vendor provides the defined service for a price. The vendor usually has many other unrelated clients. Outsourcing is considered more external oriented while shared services are more inwards looking. The outsourcing vendor has more and higher degrees of legal contractual relationship with clearer defined responsibilities (Bergeron, 2003; Levina and Ross, 2003). A form of outsourcing is business process outsourcing (BPO). BPO involves the delegation of an entire business process to a third-party provider. A full end-to-end process including potential supporting services are fully run and managed by the BPO provider (Feeny, Lacity and Willcocks, 2005; Gewald and Dibbern, 2009).

Shared services can be also organised in so-called “shared service centres”. Such centres can be used across various departments within one entity (intra-organisational) but also across various business entities (inter-organisational). Shared service centres are trying to benefit from central and decentral approaches, which are usually in conflict. Economies of scale from the central model are usually not aligned with customer focus, which decentralized approaches would cover (Janssen and Joha, 2006).

Before the existence of shared services or shared service centres there was usually one central model of functions in each business unit or entity. The functions were HR, Finance, IT or Procurement. They allowed full control of the function and a certain level of economies of scale. However, customer service and responsiveness were not focus areas. The functions satisfied only one or a few basic needs of an organisation. Shared services are much more customer focused (Bergeron, 2003).

Contrary to the general opinion, shared services ideally combine and reap the benefits of centralization (through economies of scale and collaboration), standardization (through repeatability) and decentralization (through autonomy and flexibility) (Gunasekaran, Patel and Tirtiroglu, 2001).

Figure 7 provides a general context of this research project. Here, shared services are considered as multi-functional when there is more than one function provided as a service. That is the case of shared service provider 1 (SP1). SP1 provides four services (HR, IT, FC, FM) to its three customers.

These functions are provisioned in a combined manner from one provider. The aim is to provision and achieve a streamlined administration and infrastructure. Finally, there is only one face to customers and end-users. Shared service provider 2 (SP2) provides only one type of service, IT. Hence, SP1 is a single-functional provider. Shared service providers (SP1 and SP2) and their internal customers (here internal customers of SP1) have the same shareholder. In Figure 7, it is shareholder A. This is different to the situation of outsourcing. The outsourcing provider in Figure 7 also has multi-functional services like SP1. However, the shareholders of the outsourcing provider and customer four are different, which is shareholder B and shareholder C. Hence, it is not considered as a shared service provision but outsourcing to external customers.

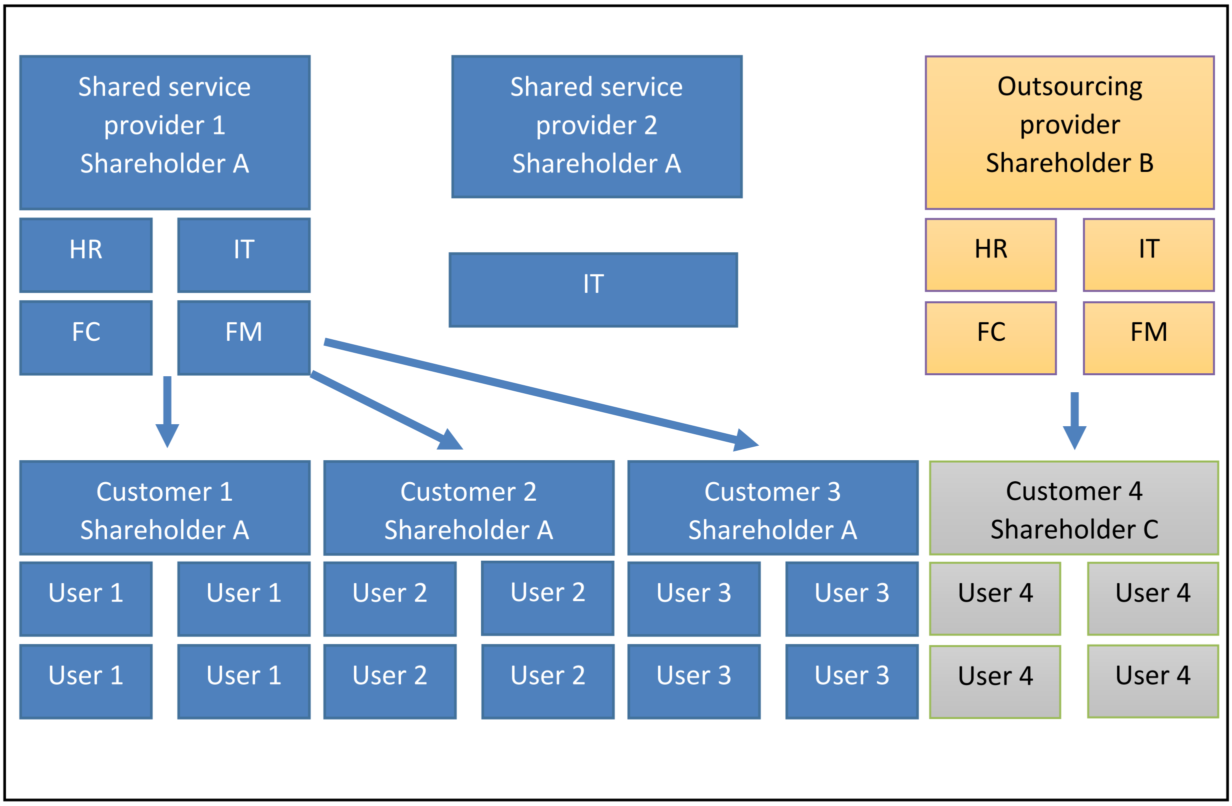

Figure 7: Schematic of shared services in the research organisation

A detailed discussion about shared services of this research environment is provided in the previous chapter 2.

3.1.1 Characteristics of shared services

The following section presents a detailed review of the characteristics of shared services in the academic literature. The characteristics are summarised and listed in Table 4. The following discussion also includes the definition of characteristics of shared services in the context of this research. These defined characteristics will be reflected and discussed on the characteristics of the research environment in the following chapter.

First a view of the legal characteristics of shared services is provided. Legally shared services are usually combined in separate legal entities from the other entities of an organisation. A separate legal entity considers a company or organisation with its own legal rights and obligations, which are different from other legal entities. As a separate legal entity, the shared services are also required to submit their own financial reports and have to comply independently from other legal entities to laws and regulations (Ulbrich, 2006).

In terms of locations, shared service units are usually located separately from the related headquarters. There are the possibilities of one central or several hubs, and organisational management locally, regionally, centrally or even virtually. With the support of information and communication technology there is no need to be in the same place. Tasks and activities of shared services are usually not critical from a competition point of view. No customer contacts nor point of sales are placed into shared services. Therefore, only support functions and non-strategic matters are placed under the roof of shared services (Ulbrich, 2006). In the context of this research project it means only competencies and capabilities that are not critical from a competition point of view would become part of a shared service unit.

Furthermore, to take over processes and activities certain organisational adjustments would be required. Consolidating different units under one roof generally requires certain reengineering to achieve the full potentials of economies of scale. As part of the consolidation, the one shared service unit can manage the resources much better through peaks and lows as well as supervision (Ulbrich, 2006). A further characteristic is creating economies of scale. The demand of several business units is aggregated to one legal entity, the shared service provider. With the aggregation of demand, it is better to negotiate prices and terms. In addition, shared services can be also offered to external parties, which opens new sources for revenues. Also the working capital and financial risk management can benefit from external clients (Ulbrich, 2006).

As a matter of consolidating knowledge, the service quality and cycle times usually improve in a shared service unit compared to previously separated units. This also goes along with a better recognition of resources and their core-capabilities. In addition to this better recognition, employees can contribute better to a service and customer-oriented approach, which is important when establishing an internal relationship between clients and supplier (Ulbrich, 2006).

Table 4 summarizes the key characteristics from the previous discussions of a shared service organisation as part of a wider organisation and their customers. The characteristics are not listed in terms of priority or importance. Each characteristic is relevant to a shared service organisation in its specific context.

Table 4: Key characteristics of shared services

○ Legal: separate from other entities
○ Location: independent from headquarters
○ Tasks and activities: not strategically important for service receiving customers
○ Economies of scale: better price and terms negotiations
○ Financials: improved working capital and financial risk management
○ Knowledge: consolidation of best practices and improved services
○ Recognition: improved employee recognition based on services
○ Customers: more orientation towards customers
○ Relationship: customer and supplier relationship

3.2 Why are there shared services?

After the review and discussion of what shared services are as well as the characteristics of shared services, the following sections outline the 'why' or reasons for shared services. There are several motivations, objectives and benefits related to the existence of shared services.

3.2.1 Benefits and opportunities of shared services

Generally, businesses are involved in hundreds of things at once; even small and medium sized companies. However, not all the things should be done or could be done. Therefore, having the right competencies for innovative things and focusing on the core is crucial (Paredes, 2014).

Hence, organisations should not take care of all functions while facing huge business growth and challenging competition. This would only increase management costs and lose focus. As a result, outsourcing and shared services allow organisations to focus on their core business. At the same time, the outsourcing and shared service provider can focus on the services with their respective competencies and capabilities (Feeny, Lacity and Willcocks, 2005).

The 1990s are commonly considered as the period of time which started the first big wave of shared service organisation foundations (Forst, 1997; Kagelmann, 2001; Lueg and Keuper, 2013). Companies started to question why certain functions addressing the same business needs were performed separately as many times as the number of business units within a group organisation (Forst, 2001; Feeny, Lacity and Willcocks, 2005). Therefore, companies contemplated if the functions could be bundled and consolidated. As a result, outsourcing and shared services emerged.

As the initial aspirations and visions of the shared services started to be realise, the numerous benefits of implementing shared services centres became clearer. In various research, benefits have been mentioned, validated or confirmed. The following is a consolidated list of the benefits considered:

- creating cost advantages (Kagelmann, 2001; Purtell, 2005; Ulbrich, 2006; Gewald and Dibbern, 2009; Su *et al.*, 2009)
- focusing on core competencies (Feeny and Willcocks, 1998; Kagelmann, 2001; Feeny, Lacity and Willcocks, 2005; Gewald and Dibbern, 2009; Richter and Brühl, 2017)
- accessing specialised resources (Forst, 2001; Feeny, Lacity and Willcocks, 2005; Gewald and Dibbern, 2009; Ghia, 2011)
- improving quality (Gewald and Dibbern, 2009; Richter and Brühl, 2017)
- improving efficiency (Purtell, 2005; Su *et al.*, 2009)
- consolidating and accumulating intellectual and capital assets (Ulbrich, 2006)
- creating customer and process focused centre of excellence (Ulbrich, 2006; Richter and Brühl, 2017)
- enabling new technology implementation (Ulbrich, 2006)

One primary and often cited argument is that shared services are created for financial objectives such as cost reductions, cost avoidance and efficiency gains (Kagelmann, 2001; Su *et al.*, 2009).

Research has shown achievable targets between 25% and 40%. This can be achieved due to economies of scales, consolidation of resources and increase in cost awareness. Furthermore, the financial risk management can be improved due to standardized and common processes. Rules and regulations ought to be aligned along an entire group organisation. This goes along with improved IT and reporting systems. Shared service organisations may also open the opportunity for external revenues. This can be achieved by the core competencies of the shared service centre and offered to third parties. In addition, this offering may further increase economies of scale. Finally, as part of the financial goals, the working capital can be improved. This can be achieved by optimizing cash-pooling and netting within a group of companies. Accounts payable, accounts receivable and asset management also show opportunities for improvement with a shared service centre (Kagelmann, 2001).

Shared services come along with their benefits of creating a platform for growing business, much flatter organisational structure and supporting group strategies. As a consequence of that, shared services can be an enabler for phases of globalisation, cultural change, or further external outsourcing (Kagelmann, 2001; Ulbrich, 2006).

From an organisational perspective, shared services should be part of the group organisation and not provided by third parties, which means that services provided in good quality are available within a company, and the people providing the services know the organisation, know their leaders, share the same culture, and are accountable for the services provided to meet the client's requirements in a cost-effective way. Outside third-party suppliers could not provide that (Forst, 2001). However, other research provides positive argumentation for outsourcing providing benefits to a group organisation without being an organisational part of the group (Ferguson, Paulin and Bergeron, 2005; Gewald and Dibbern, 2009). Feeny et al. (2005) for instance consider the benefit of BPO as bringing competency of delivering the respective services or functions to an organisation but also the benefit of bringing transformation competencies over time. That includes the client expectations of improving the outsourced functions over time.

Economies of scope provide improvement opportunities for instance in IT related business functions for shared services. Functions are, for instance, infrastructure, end-user support, application development, application maintenance, application management and administration. The opportunities would emerge from more efficient utilization, staff pooling, best practice sharing, central procurement, and demand management (Ghia, 2011).

In terms of accountability, there is the benefit of consolidating common functions into one organisational unit instead of maintaining one function in several units in concentrated accountability. Instead of looking for the right responsible person there is a central point accountable for a certain shared service function (Forst, 1997).

In summary, from a strategic and organisational point of view, shared services have the aim of allowing the focus on core business, from a client's perspective as well as from a provider's viewpoint. Shared services provide access to more skilful IT personnel and enable innovation and new technologies. It also aims for standardization of processes and functions along with knowledge and experience sharing. From a political point of view, it is expected to better control IT costs and budgets as well as to solve quicker conflicts due to maybe previously unclear responsibilities. Further, creditability should improve with concrete contracts in place about the services. Technical perspectives aim at establishing a pool of experts within shared services. Experts with the experience and knowledge should be available locally or centrally and, if required, also hired from the external side. Higher service levels should be achieved as well as standardized systems and platforms. From an economic perspective, it is expected that costs for maintenance would reduce, accountability is improved, and overall cost control would significantly increase (Janssen and Joha, 2006; Ulbrich, 2006).

According to Richter and Brühl (2017), a comprehensive and wide overview including the various objectives, benefits and motives, organisations look to develop shared services centres for two key purposes:

- Lower costs through economies of scale
- Higher quality services for end-users due to better resources and capabilities

These purposes essentially tap into the benefits of centralization, decentralization and standardization of shared services. In order to achieve the benefits, it is required that shared services and the overall organisation have the right competencies and capabilities in place.

3.2.2 Side effects of shared services

Shared services are also creating certain wanted or unwanted side effects. These side effects can be negative either for the shared service recipient, the shared service provider or the entire group organisation. In general, the side effects can be categorised into four types (Table 5):

Table 5: Side effects and risks of shared services

▪ Increased complexity ▪ Financial risks ▪ Loss of knowledge ▪ Loss of direct contact ▪ Technological advances through automation

In order to maximise the expected benefits of shared services, there is the risk of over-standardization of systems and processes. As a result, there could be a lack of operational flexibility, which means that specific requirements for certain parts of the shared service recipients would not be able to receive the services as required. The service recipient could then become inefficient to a certain extent (Miskon *et al.*, 2011). On the other hand, full customer focus and consideration of each requirement may reduce the economies of scale and scope. Hence, the complexity of systems increases drastically and becomes more difficult to be used by customers as well as by the provider.

Standardization and harmonisation may also result in unbalanced power concentration. Either the shared service provider accumulates power or a certain part of the shared service recipient side may play with their customer power (Su *et al.*, 2009).

Another risk is unclear service accountability, which can result again through over-standardization, increased complexity or systems. Finally, this will result in risks on the customer side as well as the provider side. The creation of shared service may also result in lower employee morale. Setting up shared services creates changes, and potentially temporary uncertainties about roles and responsibilities and less trust (Meijerink and Bondarouk, 2013).

There could also be apparent contradictions between the promised and the realised. Formerly important functions turn into common functions of a provider, which may result into lower recognition and perception. Also, certain jobs might need to be transferred from higher wages locations to a lower wages location. The former existing colleague-to-colleague relationship would have turned into a provider-to-customer relationship. This could also result in ineffective communication and longer project timelines. Finally, the expected cost reductions can turn into a risk of unexpected cost escalation. The distance through the new relationship could create lower transparency and involvement (Su *et al.*, 2009). Furthermore, the benefits are often not materialised, neither on the recipient nor on the provider side. The customer satisfaction reduces, and costs tend to be higher. Operational problems can turn into less services and lower quality. The levels of discomfort may rise on both sides.

As with any services or products, there is the usual and common risk of failing the expected performance. However, as an internal shared service provider there are also the risks of failing with the group’s strategy as well as creating a financial risk for the group. In addition, there is the psycho-social risk of employees within the same organisation being treated unfairly (Gewald and Dibbern, 2009). Other specific risks as internal shared service providers are imminent due to poor management of training of the shared service staff, ineffective internal communication, and unclear roles and responsibilities (Cooke, 2006).

With the delegation of authority and power there is increased risk of financial and operational incidents. For instance, auditors have been involved in malpractice, e.g., bank accounts were not checked appropriately, which resulted in inaccurate and unreliable financial statements of the service providing company. It is also recommended to closely verify the strategy and direction of the service provider. As a client, such discussions should be initiated and lead. It is crucial to understand what kind of changes could be created on the service provider side with potential impact on the customer side. In addition, it is also substantial to take specifics of other countries into account. Different security standards, laws, cultures and auditor qualities can create problems within a group organisation. Hence, as a customer it is vital to manage a vendor’s capabilities and the process (Atesci *et al.*, 2010).

In particular for outsourcing but also relevant for shared services, is the fact that former knowledge belonging to the group or individual entity may be destroyed forever. The capacity to innovate might also be affected since there is no direct oversight on the knowledge generating process and innovation (Denning, 2011).

Furthermore, technological advancements also result in negative side effects. Research shows that in many cases assumed cost savings have not been achieved (Borman and Janssen, 2013). For instance, in emerging markets, the labour costs have increased and hence the expected benefits cannot be generated anymore. With the latest technological trend of using software robots in emerging markets, the question is valid if having robots working, for instance, 12,000 km away from the customer is worth the efforts (Denning, 2011).

Given the variety of actual or potential risks and side effects with shared services there is the evident need for management. One crucial element considered to manage those risks are service level agreements being discussed in section 3.6 Service level agreements.

In the following paragraph I will introduce concept of core competencies and capabilities, which sets the foundation of shared services as well as the framework for this research project.

3.3 Foundation of shared services: core competencies and core capabilities

In the following two sections, the foundation principles for shared services, which are focused on core competencies and core capabilities, will be discussed. As outlined in section 2.2, even in my organisation and its related insurance entities, the starting point of shared services was about core competencies and core capabilities. The insurance entities already providing IT and FM services to other entities had to spend resources to provide services, which were not part of their core business. Hence these resources were not available to their core competencies and core capabilities in the insurance business. As a result, the decision makers of the insurance entities initiated the process to transfer the shared services to my SB. Hence, SB can focus on these relevant and required core competencies and core capabilities of IT and FM shared services.

Firstly, I will clarify ‘competence’ and ‘capability’. People very often use 'competence' and 'capability' as synonyms. However, these words do not mean the same thing. In the context of shared services these two concepts must be distinguished in order to enable visibility on different aspects from customer and provider perspectives.

Before the topic of shared services even developed in the 1990s, there was a discussion about competencies. The starting point was in the 1950s with topics of strategy and distinct competence. It has been outlined that competence is one of the key differentiators in competition (Long and Vickers-Koch, 1995; Feeny and Willcocks, 1998). Competencies help to distinguish between fast-growing and slow-growing or even shrinking corporations. Focusing on competence puts an effort on specific products, technologies or tools, which makes it a more ‘technical’ aspect of organisations (illustrated in Table 6 ‘Technical’). For instance, a financial institute should have the competence to manage financial risk. Competence should also provide access to a variety of markets due to a specific character, e.g., a manufacturer of displays can be used for TVs, monitors, and displays on handhelds. Furthermore, a competence should provide a perceived advantage for a customer of the final product. Finally, competence should also be difficult for anyone to imitate, which makes focusing on competence outstanding and important to consider (Prahalad and Hamel, 1990; Feeny and Willcocks, 1998; Zhang, Vonderembse and Lim, 2003; Ulrich and Smallwood, 2004). For individuals, the word ‘competence’ is also used in the technical context, which means an individual has expertise in subjects such as finance or marketing (Ulrich and Smallwood, 2004).

In the 1960s, the terminology of ‘capability’ started to be used. It was also in the context of strategy but referred to a firm’s ability to deal with competitive environments. It was set in the context of capability of managerial and functional aspects (Long and Vickers-Koch, 1995). Ethiraj et al. (2005) also include “learning by doing” in the definition of capabilities. Later on, it has been further specified and set in the social context of firms (illustrated in Table 6 as ‘Social’). For an organisation that means the culture, innovativeness, or speed. From an individual’s perspective, the term ‘ability’ refers to the social context. A person can have the ability of leadership by directing or motivating people. Finally, an organisation is able to emerge its capabilities based on the combination of its individuals' abilities over time. For instance, if an employee has strengths in certain subjects but the company may not consider those strengths. Therefore, organisational capabilities require turning technical knowledge and resources into positive outcomes (Ulrich and Smallwood, 2004; Ethiraj *et al.*, 2005).

From an outsourcing and shared service perspective, it means, for the underlying functions and services, the right competencies in terms of technical know-how must be established as well as the individuals with the right capabilities (Feeny, Lacity and Willcocks, 2005). In the subsequent thesis I consider all organisational and technical related aspects as ‘competence’. ‘Capability’ is considered as individual and a person’s ability.

Table 6: Competencies and capabilities (Ulrich and Smallwood, 2004)

	Organisational	Individual
Competence – Technical related	A company's core competencies, e.g., financial company and their management of financial risk	Functional competence, e.g., finance, marketing
Capability – Social related	Organisation's capabilities, e.g., culture, personality	A person's ability, e.g., leading and motivating other people

3.3.1 Core competencies

In this section there will be a focus on the technical aspects, the competencies of organisations. Competencies have certain characteristics which help to set them into the context of an evolving organisation. In the upcoming discussions the following elements are considered:

- Core competence focus and outsourcing
- Competitive advantage through competence
- Competencies and economic organisation
- Competence and knowledge asset entity
- Competence for innovation and focus on core
- Competence and flexibility

The need for companies to focus with high attention on core competencies is driven by higher competition due to globalisation. Economic and business environments are much more volatile than ever before. Markets, supply chains and vendors are changing in even faster paces (Su *et al.*, 2009). The high pace is a result of new technologies, lower costs and shorter product life cycles, free floating capital, innovations and new competitors (Feeny and Willcocks, 1998). In one decade 6 out of 10 Fortune 500 companies faced serious threats to survival, only half succeeded with new core businesses, and others ran into bankruptcy or were acquired (Zook, 2007). Adam Smith's theory of 'specialisation creates productivity advantages' (Coase, 2006, p. 73) points in the direction that special competencies are the key differentiator compared to products (Prahalad and Hamel, 1990; Foss, 1996). Such differentiator seems to be the value of shared services or outsourcing respectively.

Based on Penrose's competence-based approach, a firm is a distinct, historical entity, which is characterised by various things, mainly through its group-based knowledge assets (Foss, 1998). This competence-based approach has characteristics of being largely tacit, path dependent, group-based, on a firm-level, socially produced and reproduced knowledge. Competencies are considered to understand interfirm diversity, competitive advantage and growth of a firm, diversification, existence and boundaries of an organisation. The focus on competencies is also key to any distinct type of firm, regardless of being a seeker of competitive advantage, a seeker of efficiency gains through related diversification, learning firms, and innovation firms (Prahalad and Hamel, 1990; Foss, 1998). Besides the organisational relation, competencies also relate to individuals and their behaviours. As a result, competencies are also determinants of the economics of an organisation, close complementary activities and similar activities best done under a unified governance. Due to the imperfectness of production knowledge there is coordination required (Richardson, 1972).

Competence is also an element of strategic management research. A long-term competitive advantage can also be achieved through competence. Competence is considered as idiosyncratic knowledge capital that allows the holder to perform activities and solves problems ideally more efficiently than others. Hence, firms are considered as repositories of competence as well as accumulators, protectors, and embedders of competencies to product markets with the aim of achieving a long run competitive advantage (Prahalad and Hamel, 1990; Foss, 1996).

Flexible and elastic structures are helpful for companies to excel. Firms are enabled to focus more and more on core competencies along with reconfiguration of supporting activities. This needs to consider the application of the "make or buy" concept along the entire value chain. A company, for instance, can focus on a core retail business while increasing flexibility through the supply chain of the retail products and related services. Shared service centres can focus on administrative tasks while the core of the company focuses on developing and marketing new retail products (Richter and Brühl, 2017). With a focus on core competencies, there is an increased flexibility of cost control and more ways for sourcing possible. Companies gain flexibility to compare self-manufactured versus imported. A company also becomes less prone to seasonal cycles. In addition, decisions regarding foreign investments of multinational enterprises can be enhanced by flexibility for joint ventures, direct investments or acquisition. Core competencies are the major consideration for such decisions. For instance, high quality product firms tend to make decisions for acquisition or direct investment, while lower quality product companies tend to decide for joint ventures or a wait and see strategy. This implies for shared services to allow companies to focus on core competencies and provide capacities for investment (Appleby, 2014; Díez and Spearot, 2014). Levina and Ross (2003) also support the argument of benefits with focusing on core competencies. Focus for a customer company and its core business could be in conflict of competencies required for supporting functions, e.g. IT. Hence, it is beneficial for the customer company to receive certain services from a vendor, which is able to focus on the services as its core competencies. As a result, both the customer company and the vendor are able to generate benefits for both their organisations.

In summary, it is apparent that focusing on competence is crucial for the success of an organisation. Focusing on competence can also provide a future direction for a company. Having certain competencies and applying competencies in the right way can help to protect the future of the company as well as provide perceived benefits for its customers. However, in addition to the competence, it also requires the right human resources with their capabilities available in order to harvest the competencies efficiently and effectively.

3.3.2 Core capabilities

In the following, the concept of core capabilities is outlined. This is a social related concept with a focus on what individual people are able to contribute to an organisation.

Capabilities are key for a company’s success due to its nature of difficult imitation from competitors (Ulrich and Smallwood, 2004; Ethiraj *et al.*, 2005). However, the perception of success of an organisation is often linked to the ability to innovate with new products or satisfying customers' needs. The capability in terms of an organisational structure, management layers or how a strategy is defined is usually hidden and intangible. In addition, these are usually related to human resource areas, which can be, for instance, the staffing, trainings, compensation, or how communication is done. In a firm, both tangible and intangible resources are brought together in order to accomplish a company's work. Finally, this is how a company is perceived in general and if it is successful or not. Such core capabilities are more stable over time compared to more transparent or tangibles such as product strategy, market access or equipment. Competitors have more difficulties in copying them. However, investors look for stable intangible capabilities that provide them confidence over a long period of time. That is one reason why market evaluations of smaller companies are considerably higher than those of older more established firms (Ulrich and Smallwood, 2004).

There are 11 different capabilities that can be usually found in well-managed organisations (Ulrich and Smallwood, 2004).

1) *Talent* means to find, develop, borrow, bounce and bind the right people. The right people have maintained skills required today and, in the future, committed staff will deploy such skills frequently and predictably. Organisations and leaders should try to understand what matters most to their important people in order to increase commitment.

2) Speed means to apply changes in a rapid manner. Organisations should realise opportunities quickly and turn those into results. They can be new products, hiring new staff, or implementing new processes. Speed can be applied into different aspects and areas. For instance, speed could be considered from collecting customer data until a new product is marketed. Speed can also be considered in terms of productivity improvement implementations and saved time by the employees. Speed can also be seen in terms of an increase in enthusiasm and motivation with regard to new opportunities. An index to measure time used for activities and achieved value could make this transparent.

3) Shared *mind-set* and *branding* are considered to ensure that staff and customers have consistent perceptions of the organisation. Employees should provide feedback that the company should consider. This should ideally be close to how clients see the company. Internal and external alignment would make this capability a valuable asset.

4) Accountability relates to creating high performance culture. Employees should feel that not meeting targets is not acceptable by the company. Staff's appraisals should be able to link to a firm's strategy. The compensation to staff should vary widely to reflect payment for performance.

5) Collaboration focuses on working together across different boundaries in a company with the benefit of generating efficiency and leverage, which can be created by shared services, economies of scale, knowledge sharing or talent rotation. The level of collaboration can be calculated by evaluating the value of each division and adding up the total. If the total value is more than 25% higher than the current total value of the company, it means collaboration is not a strength and needs to be improved.

6) Learning as a capability means to generate and to generalise ideas that will finally create positive impact, with different sources of ideas, such as from benchmarks, experiments, or continuous improvements. Individuals should easily let go of old practices and adapt to new practices.

7) Leadership means that leaders are embedded across the organisation. Moreover, the leaders share the same understanding of leadership. Such leaders are easily distinguished from competitor’s leaders. Hence, it is important to have a sufficient back up pool of leaders inside an organisation.

8) C*ustomer connectivity* values a lasting trusted relationship with certain target customers. Usually 20% of customers create about 80% of profits for organisations. Hence, it is important

to stay connected with those customers. This can be done via account management, customer databases or engaging customers in the staffing procedure. It is further beneficial when a large share of the employee population is exposed to customer contacts. This usually creates better connectivity. Frequent customer surveys and tracking the key accounts support capability building.

9) Strategic unity is considered as a good articulation and sharing of strategic points. It is required that this be incorporated into behaviours, intellect, and procedures. Each employee should know about the strategy. Small messages should become part of the daily doing. The employees should respond in terms of strategy in a consistent manner. Each employee should also realise and perceive that on a daily basis the time is spent to execute the strategy. Suggestions for improvements should be noted and followed-up. Processes should be continuously improved and aligned to the strategy.

10) Innovation means being good in doing new things in terms of contents and processes. New things can be anything from products, processes, strategies, brands or customer services. It is important to focus on the future rather than any past success. The future will excite the employees and clients.

11) Efficiency makes sure that costs are well managed. Managing costs is required in order to grow. Efficiency can be easily tracked for inventories, labour costs, capital costs and cost of sales.

Finally, not only competencies of firms as discussed in the previous section are required and crucial for success, but also the right capabilities. Like competencies capabilities also support becoming and remaining competitive. As shown in Table 7 based on Smallwood and Ulrich’s discussion (2004), this should be done on both an individual (a person’s) level as well as an organisational level. For any company it is required that at least the basic capabilities are satisfied in order to be able to compete.

Over and above the basics there are the unique and distinct capabilities that determine any advantage in the competition, for instance, being more innovative or efficient than competitors.

Table 7: Capabilities and competitive advantage

	Individual	Organisational
Competitive advantage capabilities	Unique resources	Unique and distinct
Basic capabilities	Basic and minimum	Basic and minimum

3.4 Efficiency through economies of scale and scope

The key driver to achieve the benefits of shared services as discussed under benefits and opportunities of shared services (lower costs and higher quality for end-users) is to leverage primarily on the economies of scale and scope. Standardization and consolidation results in these economies. Efficiency gains are achieved through lowering operating costs and the number of service employees. Improvements of organisational learning and innovation can be realised through concentration and focus on core activities of organisations, as a customer of services as well as a provider of services. As a result, service quality can increase by forming a customer oriented mind-set in an organisation and professionalising service delivery (Su *et al.*, 2009).

Economies of scope would allow for the creation of a “one-stop-shop” or a so called “total solution”. A strategic function would be enabled to focus on its core competencies and capabilities and the strategy, while the service function can consolidate with improved cross-group learning and best practice sharing, and also express core competencies and capabilities. As a result, efficiencies and professionalism would increase. Furthermore, customer satisfaction would be much higher due to a better matching of expectations and services. In addition, through economies of scale the transparency, it can increase in terms of service costs as well as making it easier monitoring budgets

(Cooke, 2006). In addition, economies of scope also provide political advantages through enhancement of creditability and internal conflict resolutions (Su *et al.*, 2009).

In summary, with the right economies of scale and scope, a beneficial leverage can be applied for both the service provider and the receiving customer. However, these economies also require the appropriate capabilities and competencies. If standardisation and scope cannot be achieved, then there would be no benefits of shared services achieved. Hence, I will further focus on the capabilities and competencies of shared services in the following sections. Customer expectations will be discussed and elaborated in the subsequent paragraphs.

3.5 Customer expectations

In the context of shared services, the customers are from the same organisational group (Ulbrich, 2006). That means both provider and customers have the same shareholder. As a result, there is usually a legal relationship between customers and the shared service provider before services are provided. Nevertheless, the drivers for both shared service recipient and shared service provider are to maintain a competitive advantage for the entire group. The recipient is facing drastic market competition and changes. Product life cycles become shorter and cost pressures are increasing (Zook, 2007; Su *et al.*, 2009).

Based on these external pressures, the motivations to implement and use shared services are increasing, which puts pressure on the shared service providers to enable and excavate the benefits of having shared services. As discussed in this section, the benefits and opportunities of shared services: lower costs and higher quality for the shared service customer. That includes the underlying assumptions that shared services would have the right competencies and capabilities to enable those expected benefits for customers. As a result, the customer can focus on core competencies, capabilities, and strategy. The customers are required to have certain expectations for the shared service providers, which are outlined in this section. The legal basis for these expectations is discussed in the following section of Service level agreements.

Excellent customer service is considered as crucial in order to succeed with any service organisation (Kotler and Armstrong, 2001; Baron, Warnaby and Hunter-Jones, 2014; Palmer, 2014). Therefore, service organisations should continuously try to exceed customer expectations. As a result, the services provided should be at least satisfying and the quality should be continuously enhanced (Sofiyabadi, Kolahi and Valmohammadi, 2016).

The creation and usage of shared services is a new organisation model in order to achieve lower costs and increased efficiency. However, there has been controversy about the assumed positive impact in practice. Clients of shared services often consider services received worse than before the time of shared services. In addition, shared services can be perceived as failure to contribute value to a company at all. Another argument is that shared service activities are often only cost drivers and do not add value. Even more negative, instead of using a shared service, an outsourced provider can generate higher costs. Hence, the attention for managing the external provider or shared service provider and corresponding risks may outweigh the benefits of using shared services (Janssen and Joha, 2006; Su *et al.*, 2009; Atesci *et al.*, 2010; Helbing, Rau and Riedel, 2013; Owens, 2013). Therefore, creating and using shared services should not only provide room to focus on core competences but at the same time it has to be ensured that shared services are provided based on certain client expectations.

There could be benefits for customers if there would be an earlier involvement and engagement during the setup phase of shared services as well as part of the regular service performance reviews. This can be part of the marketing of the new services (Kunz and Hogreve, 2011). The satisfaction of clients is one of the key success factors besides the quality of services and recent e-services (Marciniak, 2013; Baron, Warnaby and Hunter-Jones, 2014). These recent trends are called “shared services 2.0”. Such shared services go beyond the first generation, which focused on labour arbitrage and economies of scale. The second generation intends to enhance values of the services and at the same time provide further economic benefits with reduced unit costs. Topics are those such as innovating processes (Lueg and Keuper, 2013). The shared services provided by my organisation are not enhanced or further developed after the acquisition. This would be researched as part of the optimization of competencies and capabilities of a shared services portfolio in order to generate efficiency gains.

One other perspective on customer expectations could also be to retain certain functions as part of their organisation. Retaining HR outsourced functions can help to keep best practices, monitor delivery as well as protect sensitive customer needs. Facilities Management can be considered as part of an organisation's value chain. Therefore, Facilities Management can directly relate to the performance of an organisation. These services can support communication and the quality of work environment for human resources and physical needs. As a result, HR and Facilities Management ought to be considered as having an impact on a customer organisation's objectives (Alexander, 1993; Cooke, 2006).

At the beginning of this research I had to collect and evaluate the importance of the shared services and the expectations about the shared services for the customers and end-users. From some feedback and complaints, I had to understand what the actual reasons are behind the complaints. Based on that, I had to derive the benefits expected and delivered to the customer through better capabilities and competencies of the shared service provider. The shared services could be improved in terms of capabilities as per the section 3.3.2 through more skilled personnel, more training and education. According to the section 3.3.1, improvements could aim for better support systems and processes. As a result, customer expectations could be met.

However, another aspect to consider with regard to customer expectations and shared services is outlined in the so called “Service level agreements”. I will introduce and elaborate on this element in the following.

3.6 Service level agreements

3.6.1 Definition of service level agreements

For the relationship of a shared service provider and a recipient (client), the expected service delivery and quality has to be defined and explained, which enables both parties to interact with regard to the functional and non-functional properties of the provider-customer-relationship. The so called 'Service Level Agreement' (SLA) provides such an explanation (Goo *et al.*, 2009). The SLA measures service level parameters (e.g., average response time) and service level objectives (SLOs) which are targets of concrete values of service level parameters (e.g., average response time < 5 min). The theoretical source of SLAs goes back to contract development, which is a subject related to theory of Classic, Neo-Classic and relational contractual theory (Goo *et al.*, 2009).

There are two viewpoints on the level of contracting between a client and a service provider. In case of very structured and established processes and rather standard services provided, an SLA with incentives and penalties might be the right choice, which would make the service provider accountable for the services provided. The client provides on the one hand incentives for outperforming but on the other has a strong lever to penalize and terminate even the agreement. However, such strong levers are rarely available towards an internal shared service provider. From a viewpoint of rather customized and transforming processes, a more flexible and relational contract is suggested. Such a contract is considered incomplete and therefore makes it also difficult to enforce by any third party. One mechanism of enforcement on an internally shared service-client-relationship is trust, which should be based on the same or similar cultural fit. Common social norms and sanctions can be considered led by discussions among the internal stakeholders on the shared service and customer side (Sako, 2010).

SLAs are typically long and complex documents with many details. Key characteristics include the following (Table 8)

Table 8: Key characteristics service level agreements (Karten, 2004)

• Services provided (and certain services not provided, if customers might reasonably assume the availability of such services)
• Conditions of service availability
• Service standards, such as the timeframes within which services will be provided
• Responsibilities of both parties
• Cost vs. service trade-offs
• Escalation procedures
• How service effectiveness will be tracked
• How information about service effectiveness will be reported and addressed
• How the parties will review and revise the agreement

Based on an SLA, KPIs essentially enable both the customer and service provider to measure performance against goals. This will help to understand the strengths and shortfalls of the related services (Beatham *et al.*, 2004). Therefore, it is crucial to choose versatile, robust and best in-class KPIs in order to allow a service provider to measure its performance accurately (Karten, 2004; Kaskinen, 2007).

Further important aspects that define the performance of a relationship between service provider and customer are the contractual governance and the relational governance. The contractual governance considers legal, formal as well as economic matters. The relational governance aims to build trust and social identification. The relational governance is the dominant governance role. Performance is mostly impacted by the relational governance (Ferguson, Paulin and Bergeron, 2005; Lu *et al.*, 2015; Mohamed, Mohammed and Abdullah, 2015).

3.6.2 Objectives of service level agreements

The objectives of SLAs are generally to analyse and manage the service recipient's requirements, which will then be compared to a reasonable level of services to be delivered. SLAs live also for the purpose of maintaining a long-term relationship between service provider and recipient (Mohamed, Mohammed and Abdullah, 2015).

As part of the negotiation process, a cost comparison will be established and hence the service recipient ought to ensure that no hidden costs are included. It usually requires a learning process within a service recipient since the SLA should be based on a thorough analysis of existing processes. Such a process should start as part of the decision for outsourcing. An SLA also aims to identify the resources needed and how these resources should be distributed in the service recipient organisation. It is also import to define the requirements of the service specifically, which also includes how these services can be evaluated and measured (Beaumont, 2006).

SLAs also aim to translate functional competencies as usually intangible assets with productive bundles of routines based on highly tacit and social aspects in nature, into concrete, measurable, and comparable elements. However, such routines constitute a firms’ problem solving potential and competitive advantage. Outsiders should not be able to understand an organisation's knowledge. It could create the problem of supplier contracts or in license contracts with the main reason of extreme specific and tacit production knowledge. Therefore, other firms may have difficulties to understand and a provider may know more than a contract states (Foss, 1998).

Finally, an SLA has the aim to provide transparency for both the service recipient and service provider. However, it should be taken into account that due to the tacit nature of knowledge and competence not all aspects are captured in an SLA (Trienekens, Bouman and Van Der Zwan, 2004). As an internal shared service provider with common cultural norms and environments it is important to ensure transparency in the provider-customer-relationship (Sako, 2010).

In the following section the content of a service level agreement will be discussed.

3.6.3 Content of service level agreements

An SLA starts with the purpose of the agreement, the parties and scope of agreement. Further, the SLA includes the services and availabilities of the services as provided by the service company. In addition, it is also prudent to incorporate services that are not part of the agreement, but a customer might assume that such services are potentially included. That helps to avoid misunderstanding and misinterpretations. An SLA should state the required performance of services, how the performance is measured and evaluated. Relevant KPIs and continuous improvements have to be in place in order to achieve the objectives of delivering best services and quality at lowest possible costs for the customer. Finally, services ought to achieve the required acceptable level. Reporting and feedback should be specified in order to resolve problems or complaints based on a pre-determined procedure. The payment procedures and chargeable fees should be described between the service provider and service recipient. Any changes in the affected organisations may affect the SLA. Hence the process of renegotiations due to changes shall be pre-defined. In case of services were not delivered as per SLA, penalties could be due for the service provider. The procedure to impose penalties has to be explained. For both service recipient and service provider the corresponding rights and responsibilities ought to be defined. That should support delivering the services to the agreed level. Any disputes or termination related to or of the SLA ought to be written down. Any additional terms, conditions or limitations of the SLA shall be defined. This will help to provide both parties the right direction as well as assurance of service delivery (Karten, 2004; Purtell, 2005).

The following Table 9 provides an outline of a common SLA with the specific sections and content:

Table 9: Elements of service level agreement (Macneil, 1985; Karten, 2004; Purtell, 2005)

▪ Description of Agreement ▪ Parties of Agreement ▪ Period of Agreement ▪ Scope, Specifications and Availability of Services ▪ Objectives of Services ▪ Performance, Measurement and Evaluation of services ▪ Feedback, Reporting and Problem Management ▪ Pricing and Schedule ▪ Payment Change Management and Renegotiation ▪ Evaluation and Calculation of Penalties ▪ Responsibilities and Rights in Agreement ▪ Disputes and Termination

A thorough and comprehensive SLA in place supports the provision of shared services to an internal customer. That helps to establish and maintain a trusted relationship. However, an SLA also requires on a legal basis that a shared service provider has the required competencies and capabilities in place. Only if the shared service provider is capable and competent the agreed SLA can be maintained and achieved. As a result, the SLA provides pressure to my shared service entity to comply as well as focus on the core competencies and capabilities. Nevertheless, despite following all the discussed literature findings there are also many cases available to learn from. These will be discussed in the following section.

3.7 Lessons learned

With the growth in application and implementation of shared services there are many lessons learned already available. The scope of the shared services or environments is, though, not the same as in this action research project. Nevertheless, the following lessons learned provide insights into the practical application and challenges of shared services.

Research from various practices has summarised that internal shared services from an overall group organisation perspective have the key objective to provide an internal service organisation that is able to at least equal external vendors in important areas such as functional expertise, efficiency, costs, and service quality. In order to obtain such competitive advantage, it is crucial for a company to consider the customers, benefits of shared services, establishing service level agreements, competencies and capabilities (Aguirre *et al.*, 1998). These items will be considered in the following sections.

3.7.1 Challenges for customers of shared services

Very often there are failures in outsourcing and shared services. As a result, clients are worse than before. For instance, the World Bank's finance function had been fully controlled by an external provider. However, due to unsatisfactory service delivery there was a decision to terminate the agreement (Atesci *et al.*, 2010; Bhasin, 2016). After the termination it took 3 years to return the finance function fully to World Bank. The agreement breaking with the provider was done in only 10 days. Due to the outsourcing of only basic business processes it was not possible to split the activities. The roles of the client and provider staff was not clear. As a result, it took a long time to get transparency and clarification. As a learning it is suggested to define knowledge keepers (client) and knowledge recipients (vendor). Any potential knowledge gap should be minimised. In addition, a contingency plan should be available and outsourced activities should be audited. Finally, the client should be still under the control of the processes and the provider should only provide the related services (Atesci *et al.*, 2010).

Another example is that overall productivity does not increase. In US corporations research shows that while employment reduces by about 20%-30% there is no significant increase in productivity and wages. Capital intensity goes up due to the reduced number of workers. Clearly the off-shored companies increase in size (Monarch, Park and Sivadasan, 2017). As a result, customers as well as shared service providers ought to define the objectives and expectations clearly. Even if certain goals are defined it is important that the services can be provided on that level in order to achieve the goals by both service provider and customer.

One of the biggest concerns is the lack in consideration of customer interests. Due to the division of responsibilities and knowledge the customers seem facing a risk of service and quality deterioration. This needs to be addressed by the clients and service providers (Financial Conduct Authority, 2015).

Various internal clients may have various different needs. An entity that may feel the shared service centre is not providing the services as required it might create motivation for the entity to look for its own solution. A decision for a shared service centre should be a strategic decision with long-term commitment due to the high complexity and risk. It is a special sourcing arrangement between many clients and only one internal service provider (Janssen and Joha, 2006).

Finally, client focus is the key for success of shared services. Although this might offset certain short-term profit opportunities, in the long-run it is crucial to cooperate closely with clients. While working with the clients it is important to reflect full costs and risks, educate and convince investors of continuous improvements that create long-term values (Denning, 2011; Marciniak, 2013).

In summary, from a customer's perspective shared services provisioning should have clearly defined roles and responsibilities, expected *competencies* and *capabilities* on both sides, clearly defined KPIs as part of an SLA, and awareness of a customer's interests and needs with regard to the shared services. In addition to customer's perspective in this section, the benefits and risks of shared services are discussed in the next section.

3.7.2 Benefits and risks

Shared services offer widely discussed benefits to organisations (Forst, 1997, 2001; Kagelmann, 2001; Lueg and Keuper, 2013). However, not all of such benefits are finally realised or ambiguous in terms of achieving the goals that were initially targeted. The clients of shared services claimed that the goal of accessing high quality IT services and skills was not achieved, the productivity did not increase as much as expected, the power of innovation was low, and levels of complexity in terms of systems/ platforms was still very high. However, some objectives such as being able to focus on core business, focus on IT topics, better service delivery, and one-stop-shop have been achieved. In addition, the dissemination of successful practices has been established, which was not a motive beforehand. From a political point of view, all the motives have been achieved such as higher creditability, controllability and resolution of IT related topics. From an economical perspective the motive of lower maintenance costs has not been achieved. Only the accountability and control of IT costs has been improved. In addition, costs became more predictable and overcapacity has been reduced (Janssen and Joha, 2006; Ghia, 2011).

In order to succeed with shared services, an early business and client buy-in is suggested. ‘Quick wins’ should be realised and presented before shared services are taken serious by clients and business. A relationship manager is recommended in order to manage the relationship between the shared service provider and the client (Feeny and Willcocks, 1998). Continuous improvements are required for long-term success. Any required troubleshooting should be done rather simple and quick. An SLA should be adopted in order to confirm service delivery as agreed (Cooke, 2006).

Good cases of shared services realised the gains of reducing costs due to right fit hiring, best-practice sharing, and economies of scale. That had been achieved commonly within 3-5 years after establishing the shared service organisations within a group. Various examples point to the fact that costs were reduced by 30%-50%. Other effects such freeing resources such as office space or IT infrastructure were other positive effects (Forst, 2001).

However, shortly after that first wave of cost savings there is the question of what the next target should be. Costs could not be reduced more and more. Therefore, the focus turns onto customer satisfaction of the services but still managing the cost effectively. Hence, the next stage let shared service units focus to becoming the provider of choice. The shared service units work as competing with other providers for their clients. Finally, the organisational structure should be setup to the extent that the group company would not provide a 'safety net' anymore. Also the expected increase in terms of quality and increase in internal customer satisfaction is realised (Forst, 2001).

The discussion of literature shows that despite the overall expected benefits of shared services in practice, benefits are not always achievable. Examples show that focusing on ‘quick wins’ and taking immediate actions set a positive foundation for the acceptance of shared services. For both provider and client, it should be commonly expected that realising benefits may take a longer period of time. In addition, both sides ought to expect also that shared services may not go beyond a certain level of cost reduction and quality improvements. Yet, these aspects relate clearly to the *competencies* and *capabilities* of shared services. Without appropriate competencies or capabilities there is usually a challenge to achieve cost targets or provide the expected quality of services.

The basis of relationship between client and service provider is constituted in the service level agreement. The benefits expected by a client are transformed in the services expected to be delivered by the provider, which is discussed in the following section.

3.7.3 Lessons for service level agreements

As stated, the aim of SLAs is achieving clarification between and for the service provider and service recipient. Yet there are various questions related to specification and quantification of SLAs (Trienekens, Bouman and Van Der Zwan, 2004).

SLAs tend to focus on efforts required to provide a service to the recipient. Efforts can be considered in terms of competence or capability. However, this does not include the impact on the business performance of the service recipient. Hence the performance measure might be suboptimal. Furthermore, specifications in SLAs are not clear or not complete. This can be either in the lack in clarity of service availability, or lack in measurability, or missing needs of the services. All of these can result in misunderstandings between service provider and service recipient. Cost management can also create problems due to unclear service specifications. Complexity in the services can also result defining an appropriate price of the service. Improvements and future revisions of SLAs are often limited or impossible due to the technical descriptions and wordings in SLAs. That allows only the person that created the SLA to understand. Other people can hardly understand and therefore unable to improve the SLA (Bouman, Trienekens and Van Der Zwan, 1999; Trienekens, Bouman and Van Der Zwan, 2004).

SLAs aim not only for measuring the performance but also provide a governance structure. A structure SLA showed positive impact on the relationship in terms of governance. However, even SLAs provide advantages for significance and usability, there is no guarantee of successful outsourcing with SLAs (Trienekens, Bouman and Van Der Zwan, 2004).

The creation and development of SLA is a high responsibility for both service recipient and service provider. However, an SLA may not provide an answer to any problem incurred. If an SLA might be implemented in the wrong approach or for a wrong reason, the outcome faced to the provider or recipient might be worse than before (Karten, 2004). Hence a sufficient pre-planning of shared service transition should be done, which increases the likelihood of success. This would include a comprehensive concept with a big picture but small steps including a business case with outlining expected savings (Purtell, 2005).

As part of the introduction of a structured SLA it is important to focus on change management (Wang and Wang, 2007), which is rated with overwhelming 91% importance for introducing shared services (Purtell, 2005). The various types of fears, e.g. losing jobs, losing control, relocation, and overall uncertainty, need to be addressed appropriately within the change management approach. Therefore, a clear change management plan including deep cultural assessment, thorough transition planning, and assuring sufficient and constant communication. Even small successful steps ought to be celebrated, which would support the cultural change. The other important factor mentioned is support from the top management (91%). It is suggested that at least one of the top management personnel acts as sponsor as well as communicator to emphasise the importance and benefits of shared services. An underlying business can help to find and maintain agreement on top management level while continuously updating the successful way achieving the common vision (Purtell, 2005).

The scope of outsourcing should be clearly defined. The rationale behind needs to be considered, e.g. the business case. Benefits such as cost savings, should be named. Further, as part of the outsourcing approach, it needs to be decided how the transition will be done, e.g. with a different platform or a change in processing team. In addition, the location should be defined, such as off-shore, near-shore or on-shore. It should also be defined to whom the outsourcing will be done. Finally a clear risk assessment and potential mitigation measures have to be in place (Deloitte, 2014).

Research also shows that lack in clear responsibilities in the case certain functions can be executed by both parties creates problems on both sides. When designing products, the provider did not show the adequate extend of customer consideration as it would be required. The research also shows a lack in monitoring and oversight in terms of delivery besides lacking management information. Furthermore, complaint processes seemed not being appropriately handled and followed (Financial Conduct Authority, 2015). These aspects ought to be considered when defining an SLA. Without clear definition for both client and shared service provider there will be always gaps during service delivery.

3.7.4 Optimization of competencies and capabilities

As part of the practical experiences with shared services and clients there are usually three frequently reported issues. All the three issues relate to *competencies* or *capabilities* or both. At first there is the human factor, which relates to both, competencies and capabilities. Employees are transferred to new units with new roles. The new unit may require a different way of thinking or doing certain things. When it comes to the contact with the client, the employee has to know if the client has the power to decide about services or if the new shared service unit has authority for such. That again relates to both, competencies and capabilities. A shared service unit should be client-oriented but at the same time enable benefits of economies of scale and standardization for the benefit of the entire group organisation. Secondly, issues are related to interfaces and processes, which is a competence issue. For instance, previously included reimbursements in monthly payroll transactions might be treated separately in the new shared service unit. There might be new processes or tools, which many transferred employees are not aware of. That creates negative implications and perceptions of the shared service creation. Finally, the competence question of location needs to be answered. Only with the adequate answer the originally planned and aimed benefits can be realised. However, there is not a definite answer. It is rather a case by case decision (Ulbrich, 2006).

Very often the more technical objectives of shared services are not achieved with regard to access of better expertise and technology, higher service levels, and standardization of platforms. Only the motives of better local IT staff and contraction of knowledge have been achieved. In addition, the clients realised two more benefits that have been achieved. Information security and authorization has been improved as well as experience consolidation and sharing improved (Janssen and Joha, 2006).

Shared service units are or become important for group organisations. However, very often senior management does not provide as much attention to shared service units as compared to business units, which generate profits and that is what counts. As a result, there seem to be no end of complaints about quality, services and costs about IT, Finance, or HR shared services. Even shared service units might create their own objectives, which could be de-linked from the business units' targets. Senior managers should pay as much attention to shared service units as to their business units. There should be for instance as much of high standards in terms of strategic planning and profit generating activities as in business units. The expectations should not only be about cost targets but beyond. This could go along with a transformation from cost perspectives to profit partners and creators. As a result, the overall company could gain performance (Lee and Paul, 2001).

Surprisingly, as shared service centres mature, it is observed that the employment of best practices is stopped. Around 80% of Fortune 500 companies that currently operate in a shared service environment are not employing best practices (Reilly, P. and Williams, 2003). As the initial payback or ROI is achieved, continuous improvements towards best practices will lead the way to maintaining and achieving additional cost savings and other value-added improvements (Purtell, 2005).

On the other hand, there are also findings that based on the concept application "make or buy" along the entire value chain of an organisation, in recent years there was a tendency to "make". That means that companies are building in-house shared service centres. Such centres provide consolidated support function activities such as accounting or human resources to internal clients. Surveys have shown the positive outcomes of such shared service centres with saving potentials of 20-50% (Richter and Brühl, 2017).

Deficiencies in terms of competencies and capabilities need to be enhanced on the whole value chain of shared services. That should include customers and engage them more or even start to engage them. Customers ought to be motivated using technology. Finally, productivity and remote services could be fostered (Kunz and Hogreve, 2011).

As suggested earlier, continuous improvements as well as focusing on customer partnerships will be the key. However, research shows evidence that very often organisations consider shared services as one-time event. Hence, organisations ought to apply continuous improvements which would help exploring future gains for both the service provider and service recipient. However, service recipients tend to show resistance to such continuous changes. Therefore a goal of a service provider could be redefined as a value-adding business partner rather than a simple service provider (Purtell, 2005).

Furthermore, shared services should consider the commitment of employees and knowledge. Additionally, the practice of governance and centralization should be considered. The technological viewpoint should be also part of the research (Richter and Brühl, 2017).

The question of outsourcing or internal shared services also relates to the structure of the organisation. Examples show that an organisational structure of strong headquarters power tend to support the success of setting up an internal shared service organisation. Underlying systems and process can be aligned, talents can be consolidated and retained internally. However, other examples of more federalist lead global organisations show positive outcomes of outsourcing. The ultimate decision for shared services or outsourcing should be a questions of long-term company strategy (Sako, 2010).

A study in the German banking industry has shown several interesting results. Before the creation or transfer of functions to shared services, it is crucial to make a decision for the right functions and processes to be done by a service provider. In addition, there could be reasoning for such a step due to external pressures such as competition, costs, or supervisory authority regulations (Gewald and Dibbern, 2009). Furthermore, the right focus on core competencies is required. That should allow re-focusing on the strategy and value proposition of an entire group organisation. It should also consider a bigger impact from benefits than risks from the decisions (Lueg and Keuper, 2013).

In summary, for both the shared service provider and recipient there is clear evidence that focusing on core *competencies* and *capabilities* is crucial for the success of shared services, which is supported by Feeny et al. (2005). On both sides it requires the right fit to provide services as well as to be enabled for receiving the services. Only if that is given the benefits of shared services can be provided and realised as gains for the entire group organisation.

3.8 Conceptual model

In this literature review I have provided a comprehensive and detailed overview of the aspects of shared services. The main focus of shared services and my research has been *competencies* and *capabilities*. A focus on core competencies and core capabilities enabled the creation of shared services. I have pointed to and articulated the relevance and importance of core capabilities and core competencies, which were also the focus of this action research project. For this project, shared services are considered as one business entity providing different services to internal customers, the insurance entities in our group. The shared services are part of a broader service portfolio and related to IT and FM services.

Shared services are expected to provide various benefits to their customers. However, the benefits clearly differ from company to company. In general, customers should be able to focus on their core capabilities and core competencies while a shared service provider does the same. However, much of the research observes that initially expected benefits by the customers are not achieved or realised.

With the transfer of the existing shared services into my department I had also observed that benefits were not achieved or on the contrary that clients and end-users complained about issues. I have had no transparency about the details of the issues or any potential root causes behind. Yet, as head of department I had to answer following practical questions:

a) Are the raised issues and complaints valid?

b) How many clients and users are affected?

c) Are there potentially any other issues or complaints?

d) What are potential reasons or root causes behind?

e) How can the shared services be improved?

Hence, using action research I sought to find out in a systematic and scholarly approach the details of the issues raised. With that, the learning sets have applied the concept of *competencies* and *capabilities*. Further, the learning sets have considered and developed improvements and optimization of competencies and capabilities. I suggest based on the reviewed literature that better competencies and capabilities will result in increased benefits for a shared service client and shared service provider.

The following research questions will be answered

- How can my shared services be improved for the customers?
- How can a framework of competencies and capabilities help to improve shared services?
- How has action research and action learning helped my shared services to improve?

In the next chapter, Research Methodology, I outline the appropriate research methods of action research and action learning. I have applied a triangle consideration of people, the organisation with its services, and myself as researcher. Data collection helped to understand the issues related to the shared services in a comprehensive manner. Further, I have considered the complexity with ten different clients and 560 end-users. Finally, the applied methods aim at proposing solutions for improvements with regard to *competencies* and *capabilities*.

4 Research methodology

4.1 Introduction

My entity took over shared services of IT and FM from other business entities. I was in charge of the two merged shared services IT and FM. As it turned out after overseeing and managing the two services every day, the services did not perform as assumed when taking over the two services. Clients and end-users provided feedback that indicated that the two merged services were not performing as expected. Firstly, I took the initiative in order to collect feedback from all the end-users and clients. I could not rely only on a few persons' feedback. Secondly, I wanted to look for solutions to improve the situation. I also support learning by doing of employees instead of engaging third party consultants. Therefore, action research and action learning approach seemed very appropriate in order to give the shared services employees opportunities to understand and learn as well as increase competencies and capabilities within the organisation. Further, throughout the entire research project, I have considered the triangle including (a) people as part of the learning sets or customers, (b) the organisation with its services and (c) myself as researcher.

4.2 Before the research and research initiation

The services were merged with my shared service entity with minimal knowledge of how the services are performed. The 'lift and shift' approach did not allow to gather the knowledge beforehand but included that the knowledge was transferred. I became in charge of the two services. After that I became aware of customers raising issues and concerns about the service delivery. That was before the research had started. Table 10 lists complaints raised by the customers and end-users before the research (Customer, 2015):

Table 10: List of complaints before research

● The helpdesk is not always reachable. ● The cycle time between opening a request and closing a request is perceived as too long. ● Users are not receiving communication between opening a request and further progress and status of the request. ● There are no transparent performance measurements available. ● The services are too expensive. ● The invoicing process of the underlying services is perceived as very complicated

For me as head of department, it was part of my responsibility to take the feedback seriously into account and initiate a change. I considered the change is required due to the feedback received from customers as well as legal obligation as part of the SLAs in place with customers. However, as ambitious person with the overall objectives to improving things instead of maintaining I was personally motivated to start the change.

Therefore, I took the initiative to start this project. At first, I have informally spoken to my CEO and shared the idea about making the improvements of the acquired services of IT and FM part of this action research project. He appreciated the idea and confirmed his support. He saw the potential to change given he was also aware of the negative feedback from the clients.

After that I have also spoken to the other heads of department in my organisation. I aimed to get also their buy-in in order to achieve the entire management of my organisation to support the project. With their agreement I have also introduced the idea to our HR and compliance. They have set some requirements to meet in terms of confidentiality and compliance to existing policies, which I could assure formally. In the meantime, I have also reached out to some customers' PIC to share the idea of this project. That has been also received with positive support and anticipation of improving the services, given they were providing the negative feedback.

At the same time, I have also started to share the idea and more details with the team leaders of my department. It was also important to get their support in order to participate actively in the project.

That was also the point to ensure that involved team members would not be confronted with more workload or any other negative outcome. Finally, with the team leaders I was able to further develop the approach and how we ought to start the project. Then we have started to prepare the kick-off meeting with the team members and have started the research project.

4.3 Research approach

My research problem has been initiated as typically action research and action learning research starts, from the experienced problem in my organisation and then to take steps to improve the situation in practice (Coghlan and Pedler, 2006). Before the research project started, I became aware of certain deficiencies and complaints occurred in my service organisation. However, due to the informal character of receiving this feedback, it was still unclear and uncertain if these issues were valid. As a result of that uncertainty, there was no sufficient support for the managerial challenges, which is also described by Lueg and Keuper (2013). Due to this given setting of uncertainty for the research, the following paradigms and assumptions were made.

4.3.1 Research paradigm

Knowledge in my research context was ambiguous. There was the knowledge of the staff involved in providing the services, the end-users and clients' PIC. Knowledge was tacit as well as explicit. Knowledge was collected informally and formally, which follows Coghlan and Brannick's (2010) understanding of knowledge. In addition, knowledge also included objective and subjective critics about the current operations. Knowledge has been used in different ways in the research practice and is often subjective (Mohrman, Gibson and Mohrman, 2001).

Based on that broad understanding, it was necessary to gather specific views and interpretations from individuals when mentioning 'knowledge'. In addition, due to subjectivity and explanations by various research participants, it was also important to know the understanding of 'value' for each individual. As per McNiff and Whitehead (2006), "people hold different views of 'good'".

For this research, I have the underlying assumption that my organisation was able to learn. I support employees on learning by doing. At first, this required the acquisition of knowledge and then consequent transformation of the knowledge. According to Kolb's learning theory, the elements of experience, reflection, interpretation, and taking action should be included (refer to Figure 10).

The creation of knowledge was further supported by research assumptions. These were the grounds for the related theory and practice. Given the broad range of understandings and diverse views, a meta-paradigm approach was used in order to combine multiple concepts. The concepts were action research and action learning based on social constructionism (Shah and Corley, 2006). Social constructionism has been used in order to consider the jointly constructed 'reality' about the shared services.

Given the conceptual model based on competence and capabilities (refer to 3.8) in order to address the research problem, there were interactions required with various stakeholders. That required a clear understanding of their views and opinions of the research problem. Stakeholders' behaviours were observed and analysed. I have considered this in the triangle of people, my organisation, and myself as researcher. Different to a positivism paradigm with the focus of generalizability of knowledge, the aim was to understand the research problem in all details for this given research project. The focus has been on action research and action learning of this organisation.

4.3.2 Action research

Coghlan and Brannick (2010) present action research as an inquiry from the inside of an organisation. On one hand, there are opportunities for both the organisation and the research. The organisation would benefit from the research conducted and from the results. Further, such organisation might be more willing to supply data for the research than an external researcher would be able to receive. Besides, research conducted by colleagues might be wider accepted and adopted. Research participants might be also more supportive. As a result, a research problem could be researched deeper as well as resolved primarily. On the other hand, however, there is a lower chance of knowledge creation that might be relevant or considerable for other organisations or researchers.

Action research work is considered as highly useful for the respective practice and organisation. According to Eden and Huxham (1996) the acceptance of the research results and its implications could be increased by offering more general examples so that other practices in the same organisation might be able to benefit from the action research as well. As a result, that research could move to an increased and improved rigour from an internal organisation perspective. However, it yet remains with challenges from an external research perspective (Eden and Huxham, 1996).

Coghlan and Brannick (2010) argue further, that an action researcher has certain preunderstandings given being part of the organisation as well as has the organisation's knowledge, insights, and experience, ahead of doing research. An action researcher would also remain a full member of the organisation even after the research is completed. That allows me as well as requires me to consider the triangle of people, organisation, and myself as researcher.

However, Coghlan and Brannick (2010) differentiate between a researcher and its organisation. Both, the researcher and the organisation might have specific commitments to match and maintain. In addition, there are also other stakeholders to be considered, such as other members of the organisation or external stakeholders of the organisation. That indicates action research and me as action researcher have to pay attention to multiple factors and boundaries.

4.3.3 Research quality

Research quality is an important aspect of action research and action learning. Therefore, the quality of research has been considered in different ways.

As Reason (2006) suggested, involved research participates should be engaged from the beginning of the research. As a result, awareness will be created as well as action learning can be achieved.

Therefore, I have involved and engaged from the beginning with my teams as learning set members. Finally, the learning set members have been the ones creating and implementing the improvements of the services.

Reason (2006) argues also strongly and importantly with regards to quality of action research related to opening an organisation. My early inquiry with various stakeholders such as the CEO, HR, my department staff as well as the customers, have created openness to new realities and voices within my organisation. As a result, the research has been appreciated and supported despite the usual business processes and operations in place.

However, the action research with its learning sets and broader engagement and reflection is able to explore on new levels and details. As a result, the quality of action research can be also considered in how different perspectives and views within an organisation are being discovered and made transparent. I have also considered Reason's (2006) argument in a way of open communication and engagement with the organisation. As outlined for instance in section 4.5 Research design. I have inquired with the relevant stakeholders from the beginning of the research. During the entire project there were frequent updates and communication to stakeholders in order to keep everyone engaged and excited according to the communication plan in Appendix 5.A.11.

Another aspect of research quality, which is at the same time an aspired outcome, is the focus on action learning and action research as creator and developer of competencies (Zuber-Skerritt and Perry, 2002). That aspect of research quality provides even a validation of action research with regards to this research project's goals to improve competencies within my organisation.

Given that the collected data ought to provide overall an objective view on the services provided and how the services are perceived by the clients and end-users, it is important to explain clearly the use of research tools to the research participants (Eden and Huxham, 1996). The conclusions drawn from the data should be valid and reliable. The clients and end-users should be able to trust the results and findings to also motivate future engagement in such or similar projects.

In order to increase validity and reliability, various data sources were used (refer to 4.8.1.2). Given the use of quantitative and qualitative data, a triangulation was applied. According to Hussein (2015), this creates more accurate research outcomes due to its complementary and dissonant approach with regard to research findings. In this research I have combined the rather qualitative data from the sources of end-user feedback with the end-users' NPS and call NPS. In addition, the meeting minutes as another source of qualitative data helped to validate positions and claims. It was also critical for the research quality that the learning sets applied the same understanding of competencies and capabilities. Finally, this was also retained as a risk for the research outcome, e.g. if an issue was allocated to capabilities instead of competencies and vice versa.

As part of the research quality, it is also important to note that despite the assurance of research quality or as a result of it, this research has its limitations to applications outside this particular organisation. The setting with its history and emergence within the group company is rather unique. Therefore, the findings may not be generalised to other research areas. The research has been focused on the application of the framework of competencies and capabilities.

4.4 Research ethics

The complete research project was conducted in full adherence of the University of Liverpool standards. The ethical approval was provided by the Online DBA Research Ethics Committee of the University of Liverpool (refer to 5.A.1). No research was conducted before the approval was granted.

In addition to the university's approval, I have also received approval by the shared service provider's legal and compliance manager. This was based on a detailed sharing and discussion of research purpose, approach, and potential impact on the service provider, service recipient and participants in December 2015. Finally, the head of the service provider's organisation also provided approval of the research (refer to 5.A.3).

4.4.1 Variations of action research

Cassell and Johnson (2006) present variations of action research. There is for instance experimental research. Situations are observed in real-life and based on incremental changes with related gradual learning. Such experimental conditions are created with the main objective of an empirical analysis. The researcher is part of the organisation but during the research the researcher acts as consultant and neutral observer. Another example is participatory research, which seems most relevant for my research context and approach. Participatory research includes the active participation of the individuals involved in the research. Participants conduct the research and not a research expert. During the entire research process, the participants act as key research players. The shortcoming of the participatory research is usually the lower reputation by research journals, which is not relevant for this research project given the goal is to resolve the problem of my practice. Finally, I have chosen this variant.

Action research is also considered as self-reflection of practitioners in their practice. It is assumed that action research practitioners aim to improve their practice. Such improvements could result only from their insights. Problem analyses and solutions are provided by the practitioners of the organisation. Knowledge created under such an isolated context is assumed to benefit only internally (Cassell and Johnson, 2006).

4.4.2 Action researcher's considerations

As action researcher I have also made further considerations. According to Coghlan and Brannick (2010), an organisational issue and a related research problem statement could potentially conflict with organisational principles or guidelines. I was aware that parts of my organisation could have the perception of being negatively judged by the research. As a result, that part of the organisation could have been less supportive. As a result of that potential, I have aligned early with relevant stakeholders, e.g. HR, compliance, CEO.

In action research, according to Eden and Huxham (1996), it is rather important to explain clearly the use of research tools and methods to the research participants. An action researcher is also supposed to provide sense and prescription to the participants. As a result, research quality and scientific rigour will increase. That requires the researcher to have sufficient knowledge and skills of the applied research methods. The researcher should be further experienced and competent in the research area. That also supports the necessity of the researcher to persuade the organisation's management and the research participants from the necessity and benefits of conducting the research.

This action research project was conducted with research participants in learning sets. I was the action researcher and part of the research environment. Research participants and the researcher acted very closely. Finally, the problem resolution has been done by action learning within the organisation. Action learning will be considered in the following paragraph.

4.4.3 Action learning

Pedler (2011) defines action learning as a process in which organisations address an actual problem with their own staff. The staff proposes solutions and measures in an iterative approach the outcomes. Part of the iterative process is the reflection of the solutions with its outcomes, learning from the experiences and subsequently adjust the solutions with the objective to improve the outcomes for further learning of the organisation.

Action learning has also the benefit of allowing the managers in practice to learn and change their practice (Coghlan and Brannick, 2010). Action learning also requires understanding and emphasise on the learning on individual and organisational level. As action researcher I ought to be aware and understand the process of learning and how learning will take place (Coghlan and Pedler, 2006). However, action learning can also create controversial discussions given the unusual approach compared to allowing experts and teachers to educate practice (Coghlan and Pedler, 2006).

Zuber-Skerritt and Perry (2002) argue that action research develops more competencies on humans and professionals than traditional research. Thus, action learning is able to contribute to the learning within an organisation. As a result, action learning helped to reflect on various situations form the practice and to develop the capabilities of people and competencies of the organisation. Multiple action learning cycles ran throughout the research period over two months. The real issues of the practice were addressed. The key elements of the action learning cycles were collecting data via feedback from end-users and customers. Further, the data were structured, analysed and reflected by the learning sets. As part of the action learning, the learning sets discussed the data about different viewpoints and considerations. Finally, the results of the analysis were reflected based on the on-going services provided. For instance, how could a change in the services create a positive impact on future services? Such action learning with data collection, data analysis, discussions and reflections took place on a weekly basis over a period of two months with the team participants.

My role was a dual-role, as an insider–outsider researcher. This also included as part of the insider role being the head of the department of the research object, which means I provided feedback and guidance in terms of the subjects as well as being the advisor and researcher from the outsider perspective. In section 4.5.1 I elaborate more in depth on this.

The relationship of action research and action learning cycles is displayed in Figure 8. The action learning cycles one and two took place over a period of two months. These action learning cycles created actionable knowledge to create the change of action research.

Figure 8: Schematic of action research and action learning cycles in this research project

4.5 Research design

The research was designed in two different action learning cycles with an exchange of data from cycle one to cycle two. In Figure 9, the different phases and data transfer from learning cycle one to two are outlined.

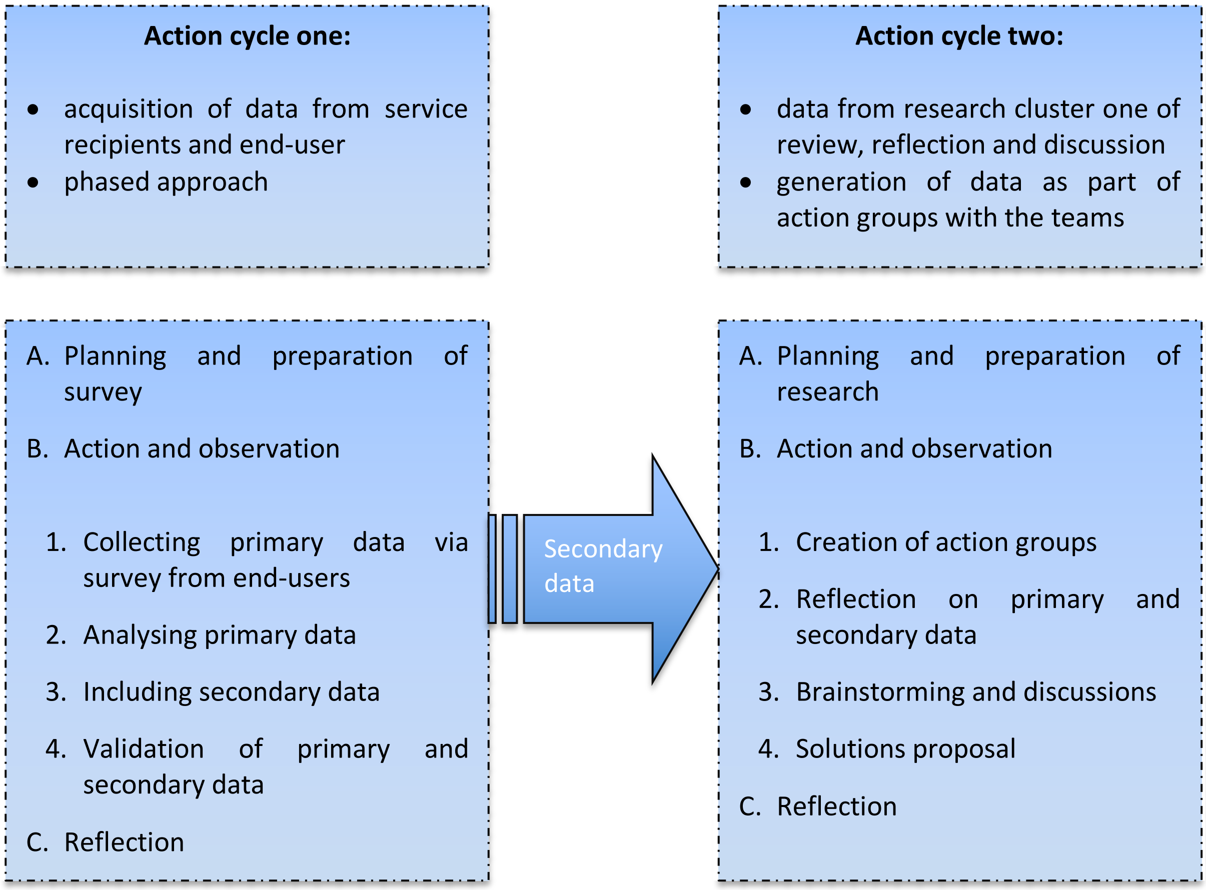

Figure 9: Schematic of phases of action cycles one and two in this research project

During all phases I considered the triangle of people, organisation, and myself as researcher. The learning sets actively and repeatedly focused on the research and learning from the actions taken. Hence, the outcomes of action research cycle two were proposed solutions but not all solutions were implemented. These solutions are still available for the organisation to implement in the future. In addition, I have also not conducted a review and assessment of the implemented solutions, which means the assumed positive impact on the service provider and service recipient has not yet been assessed. This is still due by the organisation.

The action learning followed Kolb's learning cycles as shown in Figure 10 (Kayes, 2002). The learning set members discussed the data from research cluster one, which included, for instance, end-user feedback, internal findings from the teams or new policies that need to be adapted. Based on those experiences, data reflection took place. Meanings were clarified, any underlying assumptions in terms of end-user or team member expectations were specified, and uncertain expectations were clarified. The data were interpreted and comprehended, which was done by the learning sets, for instance, with root-cause-analysis and brainstorming to interpret and understand data. Based on those actions, solutions were discussed and assessed on impact–effort dimensions. These solutions were taken in action and implemented based on the learnings. As an example, processes were changed, documents of standard operating procedures were updated, or individuals' attitudes were changed to act more empathetic. The daily application of the solution created again experience data for the next cycle of action research and action learning.

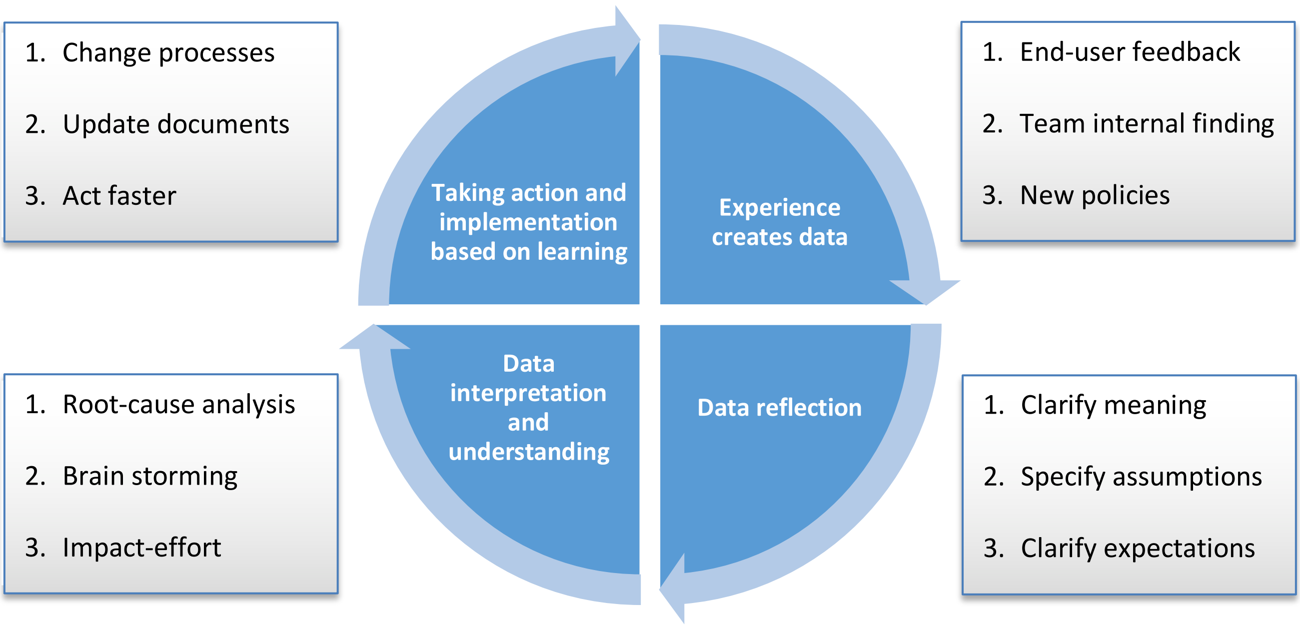

Figure 10: Adoption of Kolb's learning cycle (Kayes, 2002)

4.5.1 Dual role of insider–outsider researcher

During the research project I was head of the services department of the two teams, IT and FM. I was the insider due to my responsibility for the two services. I wanted to initiate a change for improvements given the reported deficiencies and concerns regarding the newly merged services.

At the same time, I was the outsider researcher of this project. As a result, I was both in the position to provide subordinates directions as well as an outsider researcher to observe and inquire. This study was the very first time for me being in that position between the team working on the daily business topics and at the same time observing how the team is acting, researching and learning. Based on my history in the organisation I was able to point to directions more effectively that could reduce time and efforts compared to a fully outsider researcher. My experience also helped in identifying the appropriate individuals and learning set members to participate in the research.

The dual role as action researcher and member of the research organisation creates naturally certain issues. In my organisation I consider hierarchical levels, cross-departmental issues, and different locations as challenges for action research. An issue that requires higher level information might be not accessible for me at the first instance. I ought to get buy-in of my management or even higher levels in order to get access to information. Such buy-in of stakeholders is also required in case I needed information from other departments or divisions. There might be even buy-in required from board level. Roth et al. (2007) point to the importance of creditability as action researcher within an organisation.

Moore (2007) experienced conflicts based on role duality. He states that questioning the own organisation, structures, and assumptions can be rather troublesome. Research could be taken as offense to the individuals or organisation. I have tried to approach this by early communication of the objectives and getting people involved. Hence, the risk of offense would be reduced.

In order to cope with politics in organisations, Björkman and Sundgren (2005) highlight the benefits of political influence on research. As action researcher I should have a good pre-understanding of power structures and politics. That would help alignment of an action research project. Hence, I have involved the management of my organisation early.

Other challenges come from the side of politics in organisations as well as when research is conducted in the meantime of daily tasks and operations. According to Brannick and Coghlan (2010), action research is supposed to be aligned with an organisation's interests. The management of an organisation tends to ask for specific research results. As a result, action researchers and action research participants might act according to their career interests. I have achieved that by first of all providing insights into the newly acquired services to the organisation. Secondly, the anticipated improvements of the services as well as new methodologies would benefit the entire organisation also in the future.

In my action researcher role, I ought to consider also assumptions, attitudes and behaviours. These are informal aspects (Coghlan and Rashford, 1990). I ought to pay attention to conflicts in my organization, e.g. about resources, time, and distortions. Such type of conflicts requires appropriate considerations. These considerations could be based on the understanding and learning of the related action. Action research in my organisation could also achieve social objectives with the change oriented form of research (Stringer, 2008).

I also had to cope with the challenge that the action research project was being conducted while normal operations were on-going. Operations had to be on-going due to existing service level agreements with customers. No service interruption was allowed and expected. This has been a very hard boundary and challenge to manage throughout the entire research project. The reason for this hard condition was also due to the fact that some of the customers are controlled by governmental regulators, which have to ensure that their businesses run without interruptions for their end-customers. As a consequence, reports were provided that show the reliability and service level achievements of my shared services provider. The business continuity management has also had an impact on that assessment due to the intention that services should be provided on a continuous basis. A plan of potential risk analysis with reference to the potential research impact has been created by me (Figure 11). High probable risks were such as staff had to attend meetings or had to work overtime. For both the risks, the impact on customers was considered as low by me. For instance, for staff in meetings there was usually someone to cover the tasks or roles. Overtime work was not considered as taking impact on customers as the necessary services were still provided during the service hours.

The challenging situation of ongoing operations and action research was also sensitive for me as manager of the operationally involved staff as well as the researcher. Despite the fact that participation in the research was always highlighted and reminded as being voluntarily, certain personnel may still have felt forced, which could be especially the case due to the cultural context of the research organisation being in South-East Asia and most of the participants being from that area and wider Asia. As per Hofstede (1987), personnel are more likely to accept and follow their superior's direction compared to other regions and countries.

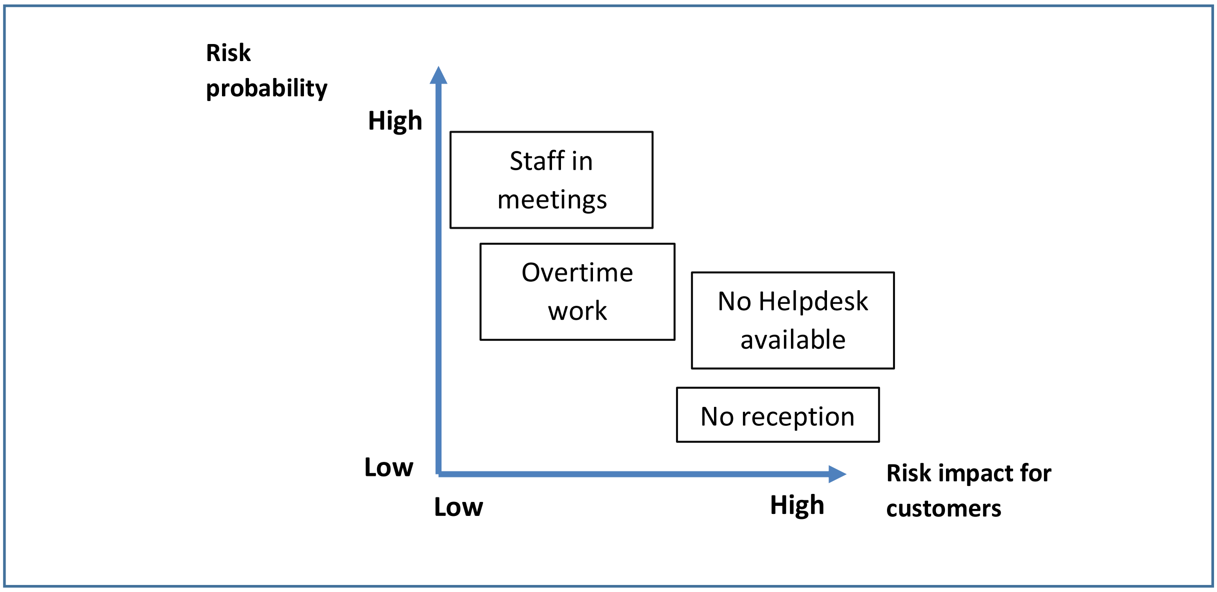

Figure 11: Risk and impact matrix

The organisation's leadership, with the head of the organisation and myself, was included in the research as part of the department team. The entire team was engaged and led from the beginning and until the conclusions. As researcher as well as head of department, there was the assumption of biases. For example, in the case of a customer and service provider relationship, the bias could have been pro department instead of neutral or pro customer. A total objectivistic standpoint could be questionable. Therefore, a verification step with a not directly involved mentor was considered. All findings and proposals were presented to the head of the shared services. The head and I have discussed the implications of changes in terms of risks and probabilities for the customers (Figure 11). Even better would have been a mentor who is totally outside the organisation to reduce the chance of biased results.

Furthermore, I have assumed that it is very sensitive communicating about problem related issues. This assumption was derived from my experience that some staff members are very sensitive about what is communicated and how it is communicated. Some staff members feel inferior or that someone is taking their areas in hand. For example, an identified problem might be defined in a certain manner that could potentially create a conflict in the shared service provider as well as towards the customers. As a consequence, the organisation could have been discouraged about the research.

In addition, it is important to pay attention to certain dynamics and changes in the researched organisation. Changes could have created the need for an increase in communication and support. This has been addressed by my personal network and conversations with managers in different areas of the company. An informal exchange of information has been the most and only effective way to receive early news about relevant changes such as new solutions or applications and department structures. Information sharing on platforms like an intranet happens commonly afterwards, which would be too late as a supporting service provider. After all, a suitable leadership as well as collaboration was required in order to achieve insider research in a successful way.

In conclusion, according to Coghlan and Brannick (2010), action research and action learning provide knowledge for application in action for organisation. Finally, it was crucial for me as action researcher to find the right balance for gaining knowledge and learning in action.

4.5.2 Participants

Based on the informal feedback and complaints received by the customers and end-users I assumed that a comprehensive research of the shared services is required. As insider in the organisation I also knew that an isolated research only in my department is not possible due to various and complex dependencies on other departments and individuals. I wanted that the employees and staff of the two shared services are directly involved. In section 4.7.1.1 Participants and sampling I outline more details about the employees. According to action research's quality aspects (Reason, 2006), I wanted that the staff should be engaged from the beginning of the research to create awareness as well as being the ones creating and implementing the improvements of the services.

Therefore, I have setup learning sets with both the service providing teams of IT and FM. As part of the research, in the beginning of the action research the participants of the learning sets primarily contributed opinions, observations and thoughts. These were collected and reflected by the participants in order to understand their 'reality'. Those collected data were comparable as well as contradicting. The participants had to identify, reflect and interpret the meanings.

After the second and third learning set meetings I have observed that the participants have changed from primarily contributing opinions but also contributing learnings. These learnings have occurred from the discussions and reflections of the first and second learning meetings. As part of the research quality, that ensured that different views of my organisation were made transparent and communicated.

Besides the learning sets with the shared services staff, I also included and considered other individuals of my organisation. That was due to reasons of their specific knowledge and expertise on certain topics, such as finance or compliance. At the same time these individuals in their roles could also provide support for the research and align with my entire organisation. As a result, I was able to ensure research quality as argued by Reason (2006).

4.6 Outline of action cycles

In the following I outline the methodology of action research and action learning for the action research cycles. I aimed with the application of action research and action learning to resolving the research problems of my organisation in a pragmatic methodology. I have also continuously included the aspects of research quality throughout the research.

During the research project I have considered the triangle including (a) people as part of the learning sets and customers, (b) the organisation with its services and (c) myself as researcher. Any insights from customers or end-users were gathered by the learning sets. Any discussion and reflection thereof were done directly the learning sets. The learning sets have gathered insights, applied and learned directly in practice and have contributed to my organisation's learning. The early engagement and open sharing of various viewpoints also contributed to research quality. I have reflected this in the design and implementation of the research.

The involved people (e.g., employees from the department and customers) and myself as researcher defined and explained the problem in the research environment of my organisation. All different viewpoints of the learning sets, customers or other stakeholders were taken into account based on the usual action research's democratic approach (Brydon-Miller, Greenwood and Maguire, 2003). The whole department with two teams and a total of 21 employees were involved as learning sets. The participants varied across different topics, e.g., receiving a request, resolving the request, facing customers, end-user or decision maker.

Besides the learning sets, there were also various customers and end-users engaged during the research. Participants were selected based on their roles in the teams and on the customer side. The participants were related to IT and FM. The choice of participants was derived based on their sufficient insights of the current status as well as if they were able to address expectations for future service delivery of my organisation to them as customer and end-user.

However, before starting the research and setting up the learning sets, I had to get buy-in and confirmation from my shared service organisation that myself and the department could conduct this research. Hence, I had to prepare reasoning, objectives, outline and risks of the research project. I have presented this first to my CEO. He understood the necessity as well as the benefits of the research for the individuals as well as for the entire organisation. In his opinion this would strengthen our organisation's objective of becoming more customer focused and engaged with the end-users. He further informed our head office and the related stakeholders about this project. After their confirmations and approvals, I was able to actually set up the learning sets.

As starting point for all learning sets, I have invited for kick-off meeting with the team leaders. The purpose of the kick-off meeting was to share at the very first time with the learning sets the research objectives, the proposed research approach, required involvement of learning set members and ethical considerations. After that kick-off meeting each of the individual learning set members could decide afterwards whether to participate or not or participate to a certain degree. It took some of the colleagues some time to consider. The biggest concern was additional workload and time spent beside their normal daily routine work. After a few clarifications with 4-5 colleagues, all colleagues finally confirmed participation.

Given the research was based on a framework of competencies and capabilities, the learning sets were also taught about these concepts. Based on pre-defined rules according to the definition and examples outlined in section 3.3, each learning set member should be able to distinguish between the two areas. Finally, each reported issue or feedback needed to be assigned to either a capability related issue or a competence related issue. Therefore, it was important to align the common understanding with regard to the framework. According to Reason (2006), it is essential to ensure that research participants know about the tools and concept used during a research. In addition, various viewpoints of an organisation should be openly shared as part of a research. That ensures that research quality is achieved.

Table 11: Meeting schedule and content

Meeting number	Week	Focus area	Participants
1	20th March	Survey preparation	LS1, LS2
2	27th March	Survey data analysis	LS1, LS2, LS3, LS4
3	3rd April	Data analysis, discussions, reflections	LS1, LS2, LS3, LS4
4	10th April	Data analysis, reflections	LS1, LS2, LS3, LS4
5	17th April	Brainstorming	LS1, LS2, LS3, LS4
6	24th April	Brainstorming and solution definition	LS1, LS2, LS3, LS4
7	1st May	Solution definition	LS1, LS2, LS3, LS4
8	8th May	Communication and roadmap	LS1

After the kick-off meeting there were weekly learning sets meetings with the participants (Refer to Table 11). Each learning set worked, depending on the complexity of the services, one hour every week on the project.

The first aim was to develop an "as-is"-situation of how the services were provided. That included flow charts of processes with activities, deliverables, personnel involved, efforts, key performance indicators, and timeline. Based on that the customer feedback, a reflective discussion was included. Each individual contributed in the best possible way to ensure that the research and action is provided and led from the people involved in all the services. Each customer feedback was assigned either with the flag 'capability' or 'competence'.

After reflecting on the "as-is"-situation and customer feedback, the learning sets ought to think forward for solutions that address the feedback. Creativity and problem-solving methods were used such as brainstorming, Ishikawa Diagrams, and effort-impact-matrix (Roozenburg and Eekels, 1995; Creswell, 2013; Wong, Woo and Woo, 2016). Creswell (2013) calls that 'lessons learned'. The starting point is a classification, aggregation and categorisation of data. For instance, I could classify the feedback as ‘end-user feedback’ or ‘own personnel’s feedback’. The aggregation could be done based on a main service, e.g., ‘new joiner setup’ or sub-service level, e.g., ‘order email account’. Categorisations could be done in ‘high impact’ or ‘low impact’ for the customer. At the same time there was always for each item the consideration of ‘capability’ or ‘competence’.

Subsequently, a direct interpretation of data has been done by the learning sets based on occasions and specific meanings of one occasion. In addition, the learning sets have separated and interpreted data. For the analysis of patterns, different relationships among different categories were considered. Further narrowing of different categories has achieved comparisons or contrasts in results (Creswell, 2013).

Furthermore, the research included data analysis based on an iterative process, including triangulation to ensure research quality. The learning sets have validated and re-defined results from different cases or data gathering. Comparisons and contrasting views helped to develop new findings or to support existing theories (Eisenhardt, 1989).

Besides, due to the ongoing operations of the shared service organisation and the constraints of no interruption of services, there has been the limitation of time and effort as well as data availability. Hence, I aimed for a feasible and practical level of data. Too much data, which could not have coped with, may have resulted in less rigour and lack in creditability and validity. Given the discovered service issues, a prioritisation was done based on the received client and end-user feedback and other data available.

Qualitative feedback was evaluated based on different dimensions. The dimensions considered for example business criticality for clients and number of requests of a particular service. I have ensured accuracy for the data collection with regard to the research environment’s social credibility as well as reality. As a result, validity of qualitative research has improved. Furthermore, I have kept in mind my role as ‘insider-researcher’. My professional role might have resulted in a bias in certain situations or towards certain people. As a consequence, the research validity and research quality could be reduced. Therefore, as Unluer (2012) suggests, a neutral mentor was suitable for reflection in order to decrease potential bias, which I considered in my direct reporting manager and CEO.

As researcher I had to decide among different research methods available based on the chosen research paradigm and approach. For the setup of the research, the qualitative research method of case study research was chosen as best fit. This was due to the fact that the shared service organisation, the researched department and the customers were an enclosed system. The research was conducted over a fixed period of time in 2016. In general, there were no theories required in order to understand the research context and problem (Gillham, 2000; Shah and Corley, 2006; Creswell, 2013).

Furthermore, from a research assumption perspective, the ontological assumption of qualitative research includes that there were various realities existing. Due to the research conducted with the involvement of different people, it was assumed that their respective and specific realities were discovered. This also relates to the assumption of social constructionism (refer to section 4.3.1). At the same time, this research assumption also supported the application of the framework of competencies and capabilities. In addition, the assumption also allowed different perspectives. Employees saw one and the same situation in different ways and had underlying different assumptions. For instance, a situation with a customer complaining was very serious for one colleague while not very serious for another colleague. Therefore, the actions that were taken were different. One colleague tried to improve the situation in the next opportunity so that there would be no need for a complaint whereas another colleague, may have taken no action of improvement (Creswell, 2013).

As consideration to assure quality of action research, I have considered the following throughout the research project. At first, I have assured an active engagement and reflection of the learning set members. The participants ought to conduct the research as well as contribute to the results and learning. This was part of the learning set meetings and preparations. Further, I have ensured transparency by open discussions as well as sharing of the research progress during the 8 weeks. Finally, the research was supported by a communication plan in order to inform the organisation as well as customers about the research and its results (refer to Appendix 5.A.11). That started with the very first initiation of the research. The customers and end-users should be informed that our shared service entity is listening and understands that there are concerns and complaints. As a result, a more thorough information gathering would be required in order to get from each customer and end-user feedback and not only from a few some informal feedback. The communication to the end-users sets also emphasis on customer satisfaction and service quality. Firstly, it was clearly stated that the feedback provided by the end-users is heard and secondly corrective actions will be taken. After learning sets have suggested solutions, these proposed solutions were communicated via e-mail to the end-users. Besides the e-mail information, posters were presented in the office environment with visual comparisons of showing the current negative situations versus the improved future state. Overall the communication plan and its execution aimed at getting buy-in and support from customers and end-users. At the same time, any change initiated and implemented ought to take the stakeholders' interests into account.

4.7 Data collection and analysis

4.7.1 Data collection

As head of department as well as researcher I had to balance the efforts taken for data collection. Data collection in action research is normally very extensive. That would have resulted in a significant amount of time and resources required from my organisation to gather the required data. However, I have tried to minimise the efforts and therefore in this research considered both primary and secondary data, yet to maintain research quality. Primary data were collected via semi-structured interviews, surveys, and observations about service delivery for this action research only. Secondary data were gathered via existing information, e.g. meeting minutes, emails, phone calls, notes and documents. Finally, secondary data finally supported the validation of primary data (Easterby-Smith and Thorpe, 2008). The various data collected and used also allowed the suggested triangulation, which ensured research quality throughout the research project.

At first it was important to find out which data are required, and out of the data required, which might be available already. In addition, it was ensured that data collection and data usage complied with ethical standards. Moreover, I had respect potential biases for learning set members, customers or other stakeholders in order to raise awareness, minimise or avoid them.

One criterion for data collection was practicability. Practicability related to the organisation and services provided to customers and end-users. Practicability also related to the learning set members. Data collection happened while keeping the normal business interruption to a minimum level. The initial data collection was followed by the preparation of a detailed description of discovered cases. Creswell (2013) highlights that the number of cases should not be too extensive in order to allow deeper analysis of the cases. Given the inductive approach, there were usually adjustments made and also additional data collected, during the data collection phases as well as action stages. Data analysis provided a deep understanding of the complexity of the issues. As part of the interpretation phase, there was the creation of the expression of the meaning of the research case was created. As a result of the interpretation and expression, it was also ensured that action research quality was ensured, as argued by Reason (2006).

As an action researcher I also had to consider my observations and verbal feedback from participants during the meetings, reflections, opinions and feedback raised during any other occasions, e.g., during a coffee break, or in the corridor during a short chat. The field notes from such feedback helped to finally prepare any upcoming meetings or raise insightful questions to other participants (refer to 5.A.16).

As researcher I have also observed the learning sets during meetings and daily operations. I collected these data by taking notes as well. These data were applied at any stage of the research in order to reflect the progress and outlook (refer to 5.A.17).

4.7.1.1 Participants and sampling

As initiator of the action research project I had to approach the question of who ought to participate. I had to consider factors like team size, available knowledge, related staff to the observed research problem, implications to the operations of the services, and time frame. After considering these aspects the optimal sample size of participants was based on all team members related to initial issues raised by end-users and customers (refer to section 4.2). In addition, in order to ensure research quality, I also had to engage with the research organisation very early and openly. Only that would enable an appropriate action research project as well as allow quality of research (Reason, 2006).

Given one of the properties of action research is the involvement of the organisation and its people, I had to get the approval and buy-in of my organisation. Therefore, before approaching the participants I had to confirm with my organisation that I would be permitted to start the research project and approach the participants for this project. Therefore, I consulted the head of the company (CEO), the legal and compliance officer, and the human resource officer.

Since I already had the support from the CEO, there was no further concern raised from his side. The legal and compliance officer asked for assurance that data privacy and data protection would be guaranteed and how this would be ensured. I have ensured that any personal feedback was kept anonymous and under password secured access only by myself. Data was not kept on a shared drive accessible by anyone. In addition, the legal and compliance officer requested that any existing legal obligations must be kept, which was a condition we had to maintain throughout the project, resulting in no service interruptions.

The human resources officer asked for assurance that employees could voluntarily participate. There should also be no additional working hours due to the research. In case an employee chooses to participate, their contribution in terms of time and efforts should also be recognised in their annual performance. Hence, the officer suggested to include in each participant's annual performance reviews a section about the participation, which should result in a positive appraisal. Finally, once all three sought officers have approved the study, I approached the participants.

All the department members were asked individually whether they wanted to participate in the research project is wanted. The participants had one week to feedback individually. Finally, all the team members agreed to participate.

In the action research, three different teams participated from the department with all team members, including the Facilities Management team with team members FM1 to FM10, the IT Helpdesk team with team members IT1 to IT8 and the Services Team with team members SV1 to SV3. In total 21 team members participated (refer to Table 13). This also included me as an action researcher in the Services Team. I had to bear in mind the triangle of the team members as learning set participants, the underlying services and myself as the researcher.

Given my role as head of department I was able to consider as researcher the team perspectives of different managing levels, the level of seniority, and duration of employment with the company. Among the three teams there were two managers included. It seemed important to have not only the capability of managing people included but also the capability of having a wider perspective on the research in terms of implications, consequences or requirements of any actions taken. In addition, not only the benefit of having managers as part of the participants but also the level of seniority and employment with the company matters from different perspectives.

As researcher I considered on the one hand, with a higher level of seniority there is usually a more comprehensive understanding of root causes, significance and implications. I assumed these learning set members were able to contribute more and in a better quality. The same accounts for participants with a longer employment history in the company. Those employees were very helpful in providing relevant insights of reasoning for certain strings and sequences as well as to determine boundaries. These learning set members could also inform less experienced learning set members as well as could foster the action learning process. On the other hand, my consideration as researcher was that participants with a much lower seniority level as well as much shorter employment (one to two years) were able to provide perspectives that were more contrary and alternative, resulting in insightful questioning and many discussions of the status quo as well as on potential solutions. I have considered that as a positive impact on the action learning as well by including this as knowledge source from outside the organisation.

However, with the participation and sampling conducted by myself as an insider–outsider researcher as well as head of department, I saw and considered the following concerns:

a) Despite the fact that voluntary participation is suggested and asked for, some team members still might feel a kind of pressure, force or other feeling that prevents them to deny participation.
b) Pressure and anticipation of manager's expectations could be also the case due to the cultural environment in Asia as well as each person's cultural understanding and experience.
c) I would also argue that some of the team members could feel pressure as being part of a team and henceforth would not want to miss out on this research project with other team members.

In addition, the suggestion from the human resources officer to include participation of the research also in each participant's performance review made me feel on the one hand that participation might be considered also as forced. However, on the other hand, since the participants would spend some of their work hours and efforts as part of this research, from an organisation's perspective, it would justify a recognition at the end of the year.

I have included these effects and impacts related to a voluntary participation throughout the action research project. Participation and contribution in the learning set meetings was always voluntarily and mentioned to the learning set members. I have not used instructions to participants but rather inquiries to enable participants with their own engagement and motivation.

Table 12: List of participants and teams

#	Participant	Team	Manager	Seniority Level	Duration with company (in years)
1	FM1	Facilities Management	Yes	Senior	5
2	FM2	Facilities Management		Senior	3
3	FM3	Facilities Management		Senior	4
4	FM4	Facilities Management		Intermediate	3
5	FM5	Facilities Management		Intermediate	3
6	FM6	Facilities Management		Junior	<1
7	FM7	Facilities Management		Junior	2
8	FM8	Facilities Management		Junior	1
9	FM9	Facilities Management		Junior	1
10	FM10	Facilities Management		Junior	1
11	IT1	IT Helpdesk	Yes	Senior	<1
12	IT2	IT Helpdesk		Senior	15
13	IT3	IT Helpdesk		Intermediate	10
14	IT4	IT Helpdesk		Intermediate	7
15	IT5	IT Helpdesk		Intermediate	9
16	IT6	IT Helpdesk		Intermediate	4
17	IT7	IT Helpdesk		Junior	3
18	IT8	IT Helpdesk		Junior	1
19	SV1	Services		Junior	<1
20	SV2	Services		Junior	1
21	SV3	Services		Senior	7

Finally, four learning sets were created based to answer the following practical questions (also refer to section 3.8):

a) Are the raised issues and complaints valid?

b) How many clients and users are affected?

c) Are there potentially any other issues or complaints?

d) What are the potential reasons or root causes behind them?

e) How can the shared services be improved?

The action research project has provided answers to the following research questions (also refer to section 3.8):

- How can my shared services be improved for the customers?
- How can a framework of competencies and capabilities help to improve shared services?
- How has action research and action learning helped my shared services to improve?

For the setup of the action research the volunteer research participants were allocated to four learning sets:

a) Learning set 1 (LS1)
b) Learning set 2 (LS2)
c) Learning set 3 (LS3)
d) Learning set 4 (LS4)

However, before I had finally decided for the four different learning sets, I had made the following considerations. The learning sets should not be too specific, not too general, should relate to research questions and motivation, should address the issues discovered, and should not be too big.

I have also considered that each learning set should include members from the department. Each learning set consisted of five colleagues. As part of the engagement and motivation strategy, I let the participants to choose their preferred learning set. However, as the researcher, I also wanted to ensure that the sets were mixed across the three different teams, resulting in a consideration of each service's specifications for each of the four different learning sets, which would also ensure better research quality.

Table 13: Learning sets and participants

#	Learning set	Participant
1	LS1	FM1
2	LS1	FM2
3	LS1	IT3
4	LS1	IT4
5	LS1	SV2
6	LS2	FM5
7	LS2	FM7
8	LS2	FM9
9	LS2	IT1
10	LS2	IT2
11	LS3	IT6
12	LS3	IT7
13	LS3	FM4
14	LS3	FM6
15	LS3	SV1
16	LS4	IT5
17	LS4	IT8
18	LS4	FM10
19	LS4	FM3
20	LS4	FM8

4.7.1.2 Data collection instruments and procedure

I have conducted the research as per the University of Liverpool guidelines. The University of Liverpool has issued the approval from the DBA Research Ethics Committee as per Appendix 5.A.1. For data collection, I have used different instruments and protocols. The main objective was to objectively collect data as well as based on a wide range of data sources, including the consideration of primary data only collected for the purpose of this research project as well as secondary data. Secondary data was available already as part of the ongoing service delivery as well as documentation related to the service. Finally, the intention was that the collected data should be reliable, representational, and contextual. Hence, the data collection included data from customers in the following ways (Table 14):

Table 14: Data sources from customers and end-users

1. Survey: Data collected via a survey sent to all end-users, which were 567. The survey asked questions about the related services of IT and FM. Quantitative feedback on a scale between 0 and 10 was collected as well as qualitative feedback in terms of questions about problems and improvement suggestions. The results were shared with the customers' management team as well as with the Services team. 2. Net promoter score (NPS) call: Data was collected on a daily and random basis about closed customer requests. Via a phone call end-users were asked to provide a score between 0, for not recommending the service, and 10, for highly recommending the service. The feedback was listed in a table and presented to the Services team on a weekly basis. 3. Meeting minutes: Customer meetings on a monthly basis held with the customers' related 'person in charge'. Those meetings went beyond the perceived user experience but focusing on service level agreements and overall service performance. Minutes of such meetings were taken. 4. Reports: Review of documents related to service requests, service level agreements, and reports. These data were available in the service ticketing systems on a daily basis.

As part of my constant consideration of the triangle including the participants, the organisation and its services, and myself as researcher, I aimed at minimising the additional workload and efforts required by the participants. On one hand, this should result in higher buy-in, motivation and engagement by the participants. I wanted to avoid viewpoints like this research projects creates a lot of additional workload to the teams and employees of the company. On the other hand, I had to also consider the ongoing services expected by the customers and end-users.

Therefore, in the context of data collection, I have looked at what kind of information is already available in the organisation with the team. The team has highlighted that items 2) NPS call, 3) meeting minutes and 4) reports were available and usable. Those three different data sources and data collection protocols would already provide a wide spectrum of data from end-users and customers. In addition, the participants felt that their suggestions were considered, and the project did not ultimately cause an additional workload for them. Hence, as part of the research approach, I have made a positive consideration for the usage of secondary data already available in our organisation. In any case, with the data collected and available the learning sets were able to address the framework of competencies and capabilities in my shared services.

In the following subsections I will outline in detail each of the four approaches.

4.7.1.3 Survey

The end-user online survey was the only additional data collection protocol suggested by the learning set. Based on the various feedbacks received from individual end-users and customers, there was already the suggestion that the service delivery should be improved in a holistic manner.

The thought process of the learning set was that as a professional organisation providing shared services to other professional customers, we should not subjectively rely on the changes or feedback of only a few individuals. Therefore, two team members of the service team prepared the survey with my guidance and advice. The team felt that a survey is both very effective and efficient. Hence, they suggested that an online survey would be relatively easy to prepare, to distribute, to collect and to analyse. In addition, with an online survey a big number of participants can be reached directly (Sax, Gilmartin and Bryant, 2003).

The survey included questions related to two services and if end-users have recently received any of those services. The survey also included open-ended questions in order to capture more comprehensive feedback that might provide more insights from end-users.

Data were collected in order to address the three attributes of quality, cycle time and performance. A sample survey is shown in appendix 5.A.5. The survey was distributed to all 567 end-users via email. The collection of data was done through the Survey Monkey tool (Survey Monkey, 2015). In total 133 responses were collected, which is a rate of 23.5%. This response rate is on the higher side of web survey response rates and represents a statistically significant rate (Shih and Xitao, 2008).

The survey was anonymous unless end-users voluntarily included their contact details that would allow follow-up activities as interviews. These interviews were conducted by a learning set member from the services team. The feedback from the interviews was captured and recorded under the data type 'Meeting minutes'.

No names or contact details were captured via the survey monkey tool nor via the follow-up interviews. Email receivers were informed about the research purpose of the survey. It was also clearly stated that survey participation is voluntarily. Participants accepted that their feedback provided in the survey is used for the research. Privacy of the data collection was ensured by only me and one other colleague having access to the survey monkey tool. The participation information sheet and consent form was also shared with the participants (refer to Appendix 5.A.2).

4.7.1.4 NPS Call

The NPS call was already introduced before the research project. It was suggested as a very efficient tool in order to capture timely and effective feedback from end-users. The procedure for collecting the data was as follows. Out of all the service tickets closed by the IT and FM teams during the previous working day, a colleague randomly picked one of the closed tickets with Microsoft Excel (one from each IT and FM). There were about 25 tickets for IT and about 15 tickets for FM per day. The colleague at the reception, who was not directly involved in closing the tickets, conducted the call, since the end-users might not be willing to provide honest feedback to the person that actually provided the service. The colleague asked the end-user if it was a good time for a short call to ask about the service received during the previous day. If the end-user confirmed, the colleague asked the simple NPS question:

> "How likely is it that you will recommend our service to a friend or colleague? The scale is from 0 – not likely up to 10 – very likely."

The end-user was also asked if any additional feedback shall be noted. Both the NPS score and the feedback were recorded in a list. The list was reviewed by the managers and I on a weekly basis. The result was also shared with the teams for their understanding as well as feedback about their services provided to end-users. The additional feedback by the end-users was considered and acted on as required by the manager or the team.

In case the end-user had declined to take the call, a new ticket was randomly picked as a substitute of the initial ticket. The response rate was very high at 90% (Sax, Gilmartin and Bryant, 2003). As a result, it was ensured that feedback was consistently collected and maintained. Appendix 5.A.5 shows a sample list of end-users NPS and feedback over a one month period. Names or other data of the end-users were not shared with anyone except the managers and me.

From an insider–outsider researcher perspective, the NPS call data was considered the most effective and efficient. The participants already collected and continued to collect the data throughout the research project. As a result, there was no challenge to communicate or motivate in order to maintain the protocol as part of the research project. In addition, it also showed that existing data can be more useful for a certain purpose. The teams appreciated that with positive response and feedback. In addition, the participants were engaged in the action research through the already ongoing activity. Hence, there was no change in procedures, time or efforts required. I considered that as a very positive means of data collection and protocol.

4.7.1.5 Meeting Minutes

The managers of IT and FM had a monthly meeting with each customer's respective PIC. The meetings usually took about 30-60 minutes. These meetings were already part of the normal business procedure and not specifically introduced for the research project. The managers arranged these meetings independently. The managers followed a standard protocol as outlined in the meeting minutes (refer to appendix 5.A.6). The standard agenda ensured that all topics were captured, and consistency was maintained. During each meeting, any pending or critical topics were discussed. In addition, there was a review of the ticket list from the previous month. The ticket list included all service requests for the particular customer, providing insights not only in the volumes of tickets but also the terms of topics and concerns. The manager and PIC went through the list and discussed it thoroughly in case something was not clear or required follow-up (refer to appendix 5.A.7).

For the purpose of the research project the managers included additional questions to address the framework of competencies and capabilities. This feedback was also captured in the meeting minutes.

Meeting minutes were in nature very much qualitative based data. As an insider–outsider researcher as well as manager, the minutes seemed to have included more subjectivity as well as a broader degree of interpretation. While reviewing the minutes every month I was required to interpret the meanings captured by the managers. As a result, I discussed any questions or unclear points recorded in the minutes in the manager meetings. Similar to the NPS call data collection, the meeting minutes had the advantage of being already available from the normal operational procedures. Henceforth as the researcher, I was not required to communicate or motivate for additional data collection tasks and efforts. With the team I only included the attributes of service quality, response time and technical performance as open-ended questions. As a result, the participants were able to collect representable data consistently.

4.7.1.6 Reports

Each of the two services IT and FM, maintained monthly reports of open, closed and in-progress service tickets. The reports contained information about the customer, the end-user affected by the ticket, the topic to be resolved, the date and time of the contact as well as resolution and finally the applied solution to resolve the ticket. These reports included data of a one year history. Appendix 5.A.8 shows a sample report of one month.

The reports were downloaded from two different systems (refer to appendix 5.A.10 for images from the systems). IT and FM run separate and independent systems. Both teams had different protocols and procedures in place to capture tickets. For instance, any of the team members that received a call, email or request via conversation with an end-user would have been required to record the service request in a ticket. However, everyone in the teams was aware that due to the shared responsibility and accountability not all requests were captured as a ticket. As part of the later research results that would be one of the findings and improvement requirements. Nevertheless, despite the anticipated limitation of not having captured all the requests as ticket and therefore reports, the provided data was broad and comprehensive enough to be used as part of the research project.

Similar to the NPS call and meeting minutes, these reports were considered positively by the participants as a data source since they were already available. The reports were also shared during the monthly meetings with customers. However, internally there was no consistent review or follow-up done based on the reports. The reports were merely considered as a database for reporting purpose. The research project improved and helped to suggest a much more comprehensive usage of the reports for analysis, review and follow-up. The participants considered the reports as very useful since the data were created by themselves during normal daily operations. It was also helpful in terms of encouraging the participants to re-use existing data as a secondary data source.

4.7.1.7 Action researcher

During the data collection process throughout the research I have considered the three elements of participants of the learning sets, the organisations and its services, and myself as action researcher. The data from all the four approaches (survey, NPS call, reports, meeting minutes) were collected by the learning set members. As action researcher, I have collected data for the action research and action learning. I have noted my observations during the learning sets from the initiation of the research project until the end of the learning set meetings. I have also captured my observations of the daily operational procedures of the team during meetings. From the organisation's perspective I have captured my observations with regards to providing the services in a different and more engaging way. The learning set members as part of providing the services have approached the end-users more in person or via phone calls instead of using only emails.

Further, as action researcher I have also observed within the learning sets as well as in the research organisation that unstructured and informal data is commonly used. Requesting standard reports that require a significant amount of time and efforts was usually perceived as not useful or desired to be prepared. Also, too many different sources of data may create unnecessary effort. Therefore, as action researcher it was important to keep the data collection procedures effective and yet efficient.

As part of the action research I had to consider the quality of data and learning for the organisation. Hence, I considered on one hand my research organisation's culture and policies. I have retained the culture of employee respect and HR policies in terms of working hours. On the other hand, I had considered the data quality aspect from a quality research and relevance perspective. Data have to make sense and contribute to the overall research objectives. Data that is collected in an unwanted or unmotivated manner by personnel would have been questionable and put the final research outcome at risk.

4.7.2 Data analysis

Data were collected from all four sources such as survey, NPS, reports, and minutes. In addition, I have collected data as part of my action researcher accounts. Each set of data from the four sources was categorised and mapped into competencies and capabilities in order to support the research questions. This is shown in the data extract Table 15.

Table 15: Data extract raw data analysis

Which service	Source	Unsatisfactory	Capability/ compete
IT	NPS	Taking too long to attend to queries	competence
IT,FM	NPS	BB issue, VC setup, Meeting room table cable	capability
IT,FM	NPS	double meeting room bookings; IT assistance do not	competence
IT,FM	NPS	IT: services help desk should be open 24/7 like in all	capability
IT	NPS	the response is slow. the reason given is under	competence
IT,FM	NPS	IT services not to highest standards. Especially	capability

Further, I reviewed and analysed on a weekly basis my action researcher notes which refers to both the action research of the learning set as well as the action learning of the organisation.

4.7.3 Qualitative data

The research project included qualitative data. Such data was captured as part of the survey, meetings, reports and my action researcher notes. These data were listed in a research journal. Each set of data was categorised as per different attributable variables and different service areas. This would ensure that with each data set an appropriate conclusion could be drawn (refer to Appendix 5.A.16 and 5.A.17). Finally, each data set was attributed to competencies or capabilities (refer to section 5.1.1.3).

4.7.4 Quantitative data

Besides the qualitative date there were also quantitative data collected. Primary data was collected as part of the end-user survey and during weekly NPS calls. These data were listed and categorised (refer to section 5.1.1.3). The same assignment of competencies or capabilities was required for quantitative data as qualitative data.

4.8 Data processing

As part of the data processing explanation I separated the categories into action research and action learning data. In the following diagram (Figure 12) about data processing from 'end-user feedback' to 'verification and adjustment', these data are related to the action research element. These data were generated by the learning set to improve the situations discovered from the end-users and other data sources as outlined in 4.7.1. However, in addition to processing those data I have also processed data as part of the learning for the entire organisation, including the reflections and actions taken by the learning sets as well as my own observation of the learning along the project duration. In both cases the competencies as well as capabilities could have improved.

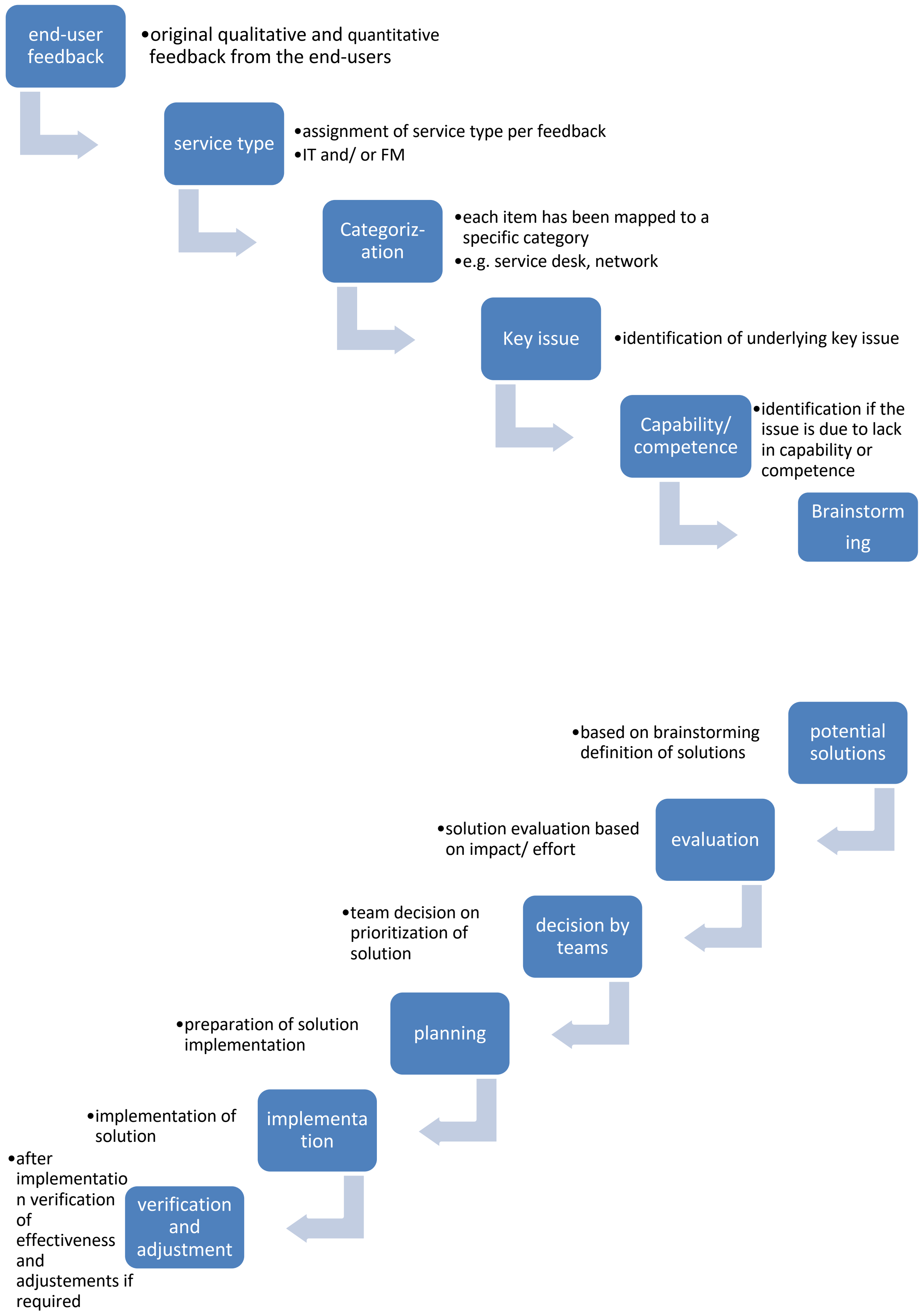

Figure 12: Data processing

4.9 Conclusion

This action research project started due to existing informal complaints from end-users about SB, which strongly suggested that action should be taken in order to, firstly, understand the situation from a holistic perspective, and not only informally. Secondly, it indicates that specific improvement measures have to be defined and implemented in order to address those complaints. The application of the framework of competencies and capabilities aimed to answer the practical questions as well as the research questions.

As part of preparing the project, certain assumptions were required. For instance, knowledge is available in the organisation in different forms, e.g., tacit and explicit. The organisation is also able to learn as part of Kolb's learning cycle (Kayes, 2002). The action research and action learning approach has required and also greatly supported the involvement and engagement of the existing staff. I have considered throughout the research the triangle of people, the organisation with its services, and myself as researcher. Data was collected during action research and in 2 action learning cycles. Data collected from the end-users and clients were discussed and reflected during the learning set meetings over a period of two months. Primary and secondary data were collected by the learning sets. A major focus was on the discussions and reflections within the learning sets in order to address the research questions. As action researcher my data collection was done as part of my research inquiry and observations with the learning sets.

In addition, I also always had to ensure my role as insider–outsider researcher was mirrored and reflected. On the one hand, I had to be engaged in the actual subjects of the services. On the other hand, I had to step back and observe the action learning of the learning sets and the organisation. One of the key challenges to consider as part of the research design has been the given restriction that the normal service provider activities had to continue, meaning there was no interruption of the service while the research was conducted. We have achieved that by organising the work well and under utmost ethical considerations.

Research quality had been ensured throughout the research. According to Reason (2006), early involvement with research participants and openness to different viewpoints of the organisation is required. Further, the participants ought to know about the specific research tools that are applied. The data collection included different sources, e.g. online survey, calls, meeting minutes and reports. Data collection also included the action learning of the learning sets as well as my observations of the learning sets. The sources provided both qualitative and quantitative data. As part of a triangulation the research quality was kept up while validating the results (Hussein, 2015). Overall, I have avoided applying only my own worldview while conducting the research and data interpretation. The reflection and review with my superior and re-confirmation with participants was part of the research process. Finally, the risk of wrong interpretation has been reduced by validation and reflection of data during the data processing outlined in Figure 12 (Nakkeeran and Zodpey, 2012).

There were no hypothesis or test findings created in order to generalise theory. The intention was rather to provide insights into the actual situation and practical action learning based on competencies and capabilities for SB. As a result, the approach and findings might be useful as reference but not directly applicable to other scenarios or shared service providers.

5 Research Results

The research methods applied in this action research and action learning project have provided various research results discussed in this chapter. I have considered the triangle of people and participants, organisation and services, and me as action researcher. The results were delivered in two cycles of action learning, cycle one and cycle two. Action cycle one focused on collecting data from end-users and customers. Action cycle two focused on the data created from cycle one and the learning set generated solutions based on those results.

5.1 Action cycle one

Action cycle one (refer to Figure 13) started with data collection for the survey, action research and action learning followed by reflection.

Action cycle one:

- acquisition of data from service recipients and end-users
- phased approach

A. Planning and preparation of survey

B. Action and observation

1. Collecting primary data via survey from end-users
2. Analysing primary data
3. Including secondary data
4. Validation of primary and secondary data

C. Reflection

Figure 13: Structure action cycle one

5.1.1 Action and observation

5.1.1.1 Collecting primary data via survey from end-users

The collection of primary data had begun as part of the action cycle one with a survey to end-users. As outlined under Survey (section 4.7.1.3), two members of the services team have prepared the survey under my guidance. The link for the survey was sent via email to 567 end-users (Appendix 5.A.5).

133 users have provided quantitative feedback as a net promoter scoring (NPS) from zero to ten. That corresponds to a feedback rate of 23.5%. As outlined in section 4.7.1.3, this response rate is on a higher side of usual response rates via a web survey. As a result the collected data seems to be representative of the population of end-users to draw conclusions for this research project and environment (Sax, Gilmartin and Bryant, 2003; Shih and Xitao, 2008).

Besides the NPS feedback there were 67 users (Table 16), who have provided qualitative feedback with individual statements and comments. The statements and comments included elements of the services perceived as “satisfactory”. 56 users provided qualitative feedback with statements that refer to services perceived as “unsatisfactory”. 52 users even provided “recommendations” with the intention and direction to improve the services. 28 users wanted to be contacted via phone for further clarification after the survey, which has been done by the learning sets.

Table 16: Number of responses

133	67	52	28
NPS	Qualitative	Recommendations	Further contacts

Table 17 shows example data sets from action research cycle one. That includes the NPS score, type of service and the qualitative feedback. Based on the NPS score the IT service was considered as -47.8 and FM service considered as -44.7. The overall score was -46.5 (Table 18), which is low on a scale from -100 to +100 (Grisaffe, 2007).

Table 17: Example data set action research cycle one

NPS	Which service	Satisfactory	Unsatisfactory	Recommedations	Want to be contacte
10	BOTH	prompt		keep smiling and serving	Yes
6	FM	no	no	no	Yes
5	IT	Resolving of IT issues for visitor	Taking too long to attend to queries		no
5	BOTH				no
2	BOTH	Speed up laptop, account locked out, many associated issue has	no	no	Yes
0	IT		requests	NO	NO
8	FM	fm shared services			no
10	BOTH				
10	IT	good			yes
6	BOTH				
8					
5	BOTH				
8	IT			To create a service portal for logging of Service Request by end user. This would definitely guide user in providing the	
7	IT	avc connection			yes
6	BOTH	mails delivery, account locked out	table cable management		no
6	IT	Account locked out and I feedback to the IT team who			no
2	BOTH				
8	BOTH				
2	IT				
5	IT				
7	IT				yes
8	FM				
0	BOTH			standards need to be improved	
7	IT				
6	IT				
7	BOTH				
1	IT				
7	IT	Quick response	System performance did not improve		yes
			Remote computer access to use a critcal software program that supports	Don't pass the problem off to other IT teams, and then revert back to the user	

Table 18: NPS result data

NPS Score Tally (Industry convention for good NPS score: >30)

Service	All	AIA	AoA	MOS	ARA	ANA	LOG
Overall	-46	-46	-100	-7	-75	-51	-27
FM	-45	-50	-100	-10	-83	-50	-20
IT	-48	-44	-100	-7	-79	-56	-20

Remarks:
Assumed that scores for IT and FM are identical for those who evaluated for BOTH

My reflection of the process of data collection through survey is the following. The learning set members have researched the methodologies of how to collect the data by themselves. They have understood and comprehended the usage of the survey tool. The benefit is gaining the knowledge for the individuals and at the same time also the organisation benefitted of that survey. On both sides, my shared service organisation side as well as on the customer side the survey has been reflected as positive and effective.

Part of the data collection process with the survey tool was to define and phrase the questions. That was part of a discussion and iterative process with the two learning set members, our CEO and me. It took a few rounds of iterations in order to confirm the appropriate wording. This might have been due to the fact of inexperience of the two learning set members. However, it is also important to ensure appropriate wording of questions in order to reduce potential bias and effectiveness for the research outcome. Finally, discussions and explanations with the learning set members and my CEO helped to clarify concerns and finalising the wordings.

5.1.1.2 Analysing primary data

In a next step, the learning sets had to analyse the qualitative data provided by the end-users. The data provided by the end-users have been categorised by the learning sets. A high-level categorisation was to differentiate the two services, IT and FM. As a result, a pie-chart shows that most of the feedback (total of 83) relates to IT (80%, 66 items) while the minority is about FM (20%, 17 items) (Figure 14).

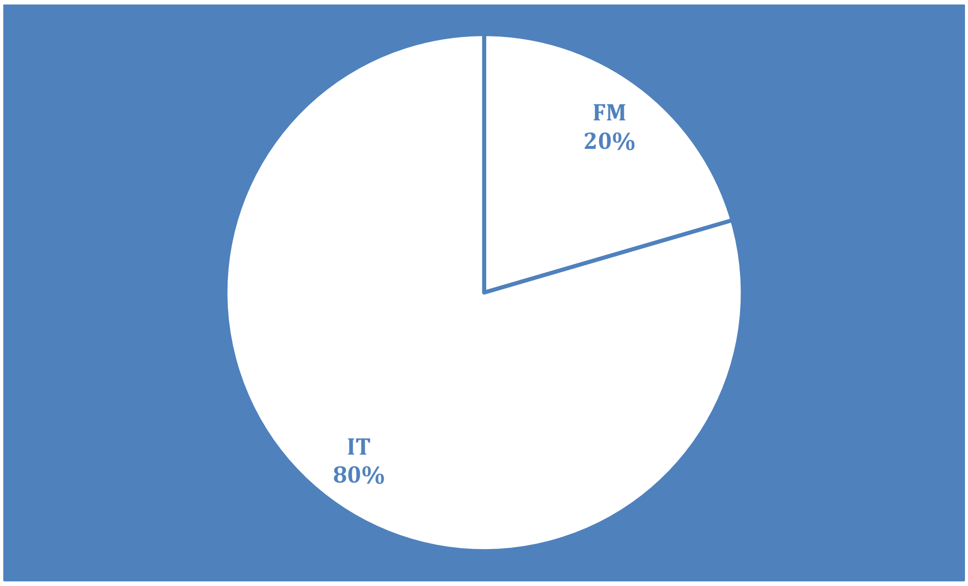

Figure 14: Share of feedback per service

That overall result with major focus of feedback for IT also corresponds with the pre-study feedback received from the few individual end-users and customers. Their feedback has been mainly on the IT services team rather than the FM services. The literature review has also provided that insight and hence the result corresponds with the overall shared services focus for IT related services. The importance of IT as part of shared services provided to customers is significantly higher than FM services (Janssen and Joha, 2006) .

The level of the NPS with overall score of -46.5 also corresponds to the earlier perception of the shared services provided. The general opinions and feedbacks received reflect that low score. From my position as insider–outsider researcher the positioning of SB within the Group company also reflects the low score. The acceptance and view on the shared service entity is commonly consider lower compared to other business-related entities. That is based on feedback and response from the other colleagues from the client side (refer to 2.1). In addition, as per statements from end-users listed in appendix 5.A.9, the shared service provider has to fulfil the agreed services as per SLA.

The learning set conducting the survey and analysing the responses also confirmed that usually feedback from end-users is in reference to IT services. One finding from the learning set members is that a not functioning IT service might be more critical and observable by end-users compared to FM related services. That might be a reason of more feedback provided for IT. However, it could be also due to historical reasons that the FM services are more matured and hence less feedback is provided. In terms of annual service requests based on the system recordings, both services are on a similar level with about 8,000 requests on an annual basis.

From a scholarly perspective I would argue that no clear conclusion of the recorded deviation of feedback for both the services can be drawn at this point of the research. We have only analysed to which of the two services the feedback has been provided. There was no root cause analysis at this stage. However, with the following categorisation of feedback there might have been an indication provided.

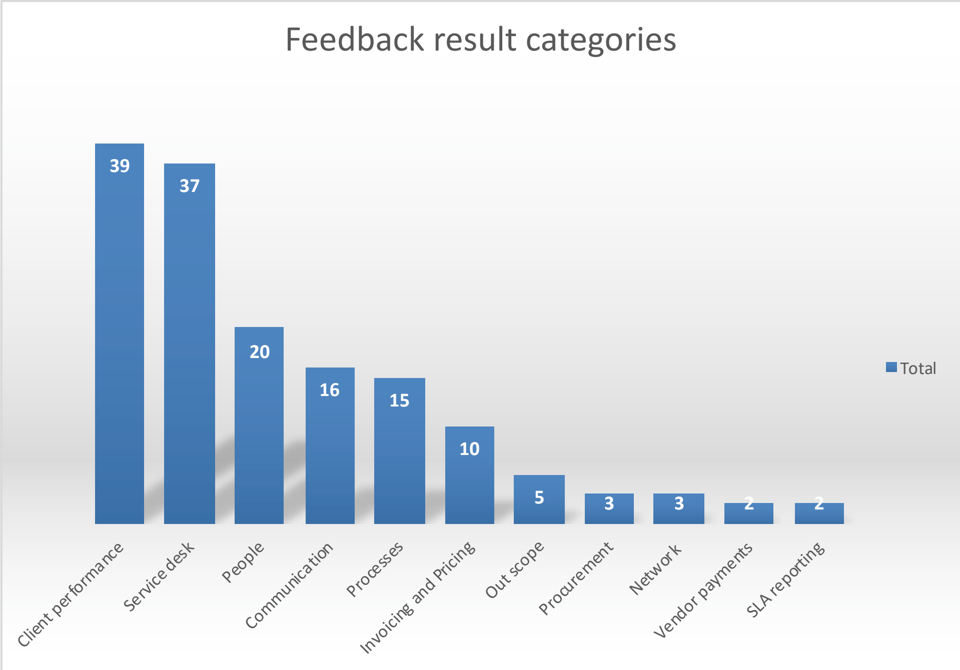

Figure 15: Feedback result categories

The learning sets analysed further all feedback items and captured in an iterative process the key contents of each item. Based on the iterations the learning sets created categories and sub-categories (Figure 15). That helped to understand for each item the concern. Based on that the learning sets were able to aggregate sub-categories to ‘Competence’ and ‘Capability’. In total eight categories were defined. Figure 16 shows this iterative process.

As reflection on the data analysis I have to state this was a tedious process. The learning set members needed close guidance and explanations. Some learning set members did not understand why it is important to clearly identify the categories. That required my guidance during the learning set meetings. I had to explain how to understand feedback from end-users. Based on that the categorisation was done. I have guided the learning sets with various samples to ensure that the learning set members would be able to conduct a correct categorisation afterwards. The challenge for the categorisation might be due to the fact that my shared service organisation as well as the previous business entities operating the two services have not focused on data and that level of detail beforehand. There was no need for the staff to understand and comprehend such information.

The staff was not asked to collect such information and henceforth there was no requirement to understand end-user feedback to that extend.

That lack in understanding and comprehension of end-user feedback and results therefore showed me also the future need and focus of staff education and knowledge creation. The action research and action learning has already improved the situation by allowing the staff to collect end-user feedback. That helped the individuals to gain the experience. At the same it also helped my organisation to gain that knowledge and retain it. In a software upgrading project conducted one year after the research project a similar approach with the end-users was applied. The project team was able to refer to this earlier conducted survey and results. Some of the learning set members were able to support the other project team with their experience and knowledge. As a result, this software upgrading project was conducted with high end-user engagement and feedback in a perceived better way than previous projects.

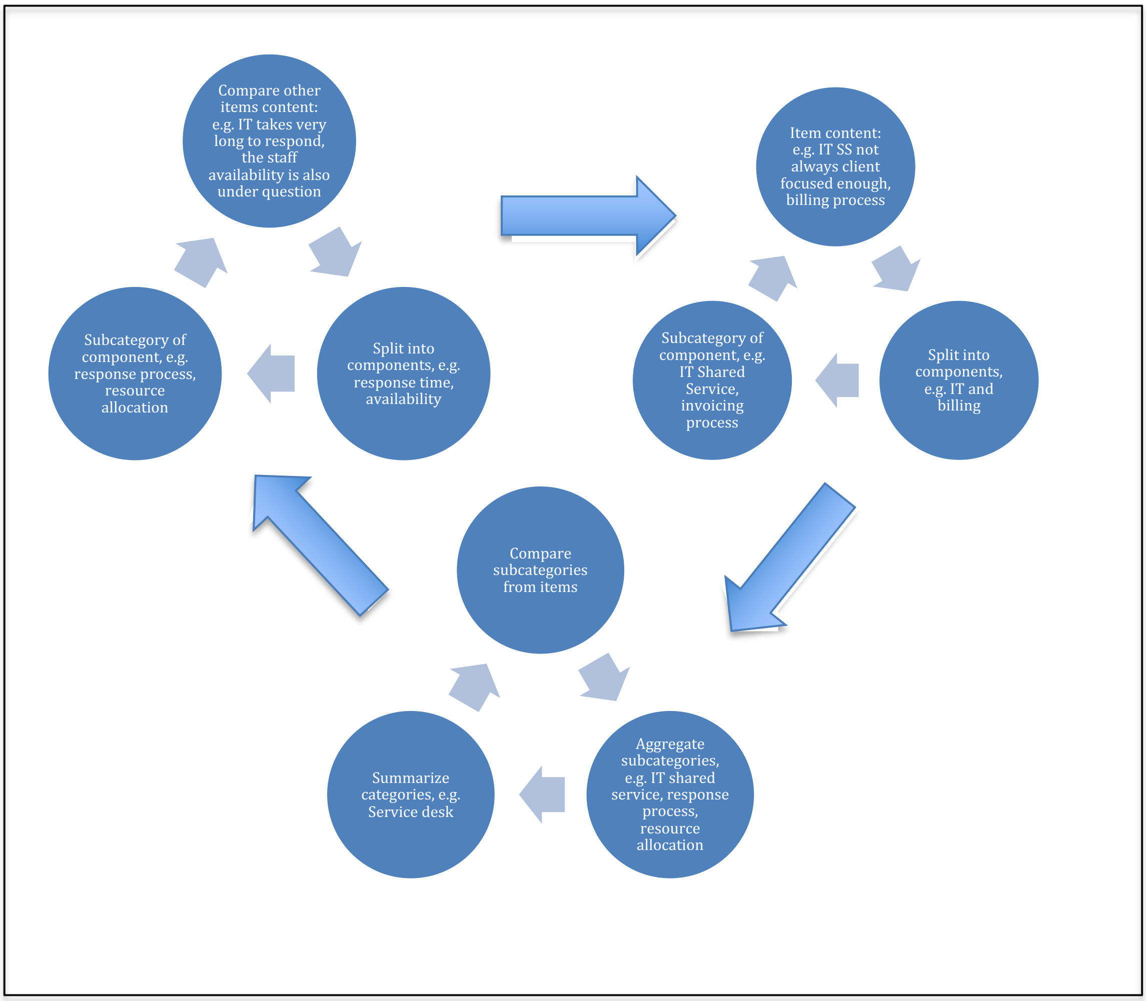

Figure 16: Iteration for categories definition

5.1.1.3 Reflection on primary and secondary data

In order to remain focused on the research objectives regarding 'capabilities' and 'competencies', each learning set has focused in the subsequent meetings and discussions on a specific area. One learning set consisted of five individuals (Table 19).

Table 19: Learning sets by focus

#	Learning set	Focus
1	LS1	Capabilities
2	LS1	Capabilities
3	LS1	Capabilities
4	LS1	Capabilities
5	LS1	Capabilities
6	LS2	Competencies
7	LS2	Competencies
8	LS2	Competencies
9	LS2	Competencies
10	LS2	Competencies
11	LS3	Capabilities
12	LS3	Capabilities
13	LS3	Capabilities
14	LS3	Capabilities
15	LS3	Capabilities
16	LS4	Competencies
17	LS4	Competencies
18	LS4	Competencies
19	LS4	Competencies
20	LS4	Competencies

The learning sets have separated feedback in smallest elements, e.g. "Narrow bandwidth for internet and server access due to current limitations and IT team unable to do anything. For FM, delay in report submission and lapses in housekeeping standards and manpower".

The respective learning sets 'competencies' and 'capabilities' applied their understanding of the feedback. For instance, the statement had been split into IT and FM related (see Figure 17). After that, the learning sets looked for the next level of details, e.g. mentioning the support team or system related words. Here the words of "bandwidth" and "server access" were considered as related to "Network". Hence this feedback was categorised to "Network". The other words of "IT team" was related to the "Service desk". Hence another data set was created as "Service desk". For the second part of the statement it was mentioned "FM". Further on this "report submission" is mentioned. That is a direct indication of the category "SLA reporting". The other part mentioning "lapses in housekeeping standards and manpower" relates to the category of "Processes". Hence the category of "Processes" was chosen by the team.

In order to maximise the consistency of allocating the user feedback to the right categories, the team validated a few times. 3 different team members verified the categories with the original feedback. Despite the fact of subjectivity of categorisation due to verification by a few team members a high consistency has been achieved.

In case of disagreement of a category the team members discussed and tried to achieve reasoning for the most appropriate categories. Unfortunately, it was not noted how many disagreements were discussed. However, based on asking the team members it was mentioned that less than 10% of the categories were discussed. That means a high accuracy of more than 90% had been achieved in placing the users' qualitative feedback into the most appropriate category.

As a result of reflecting the disagreement of categories there is also an important learning associated to the organisation. There is a clear evidence that requests from end-users are not able to be allocated clearly to IT or FM. As a result, from an organisational and service perspective, it was important to create a verification check of incoming requests. This additional process step required a team member to identify unclear requests and submit for review by the team managers. That has helped to response faster on end-user requests.

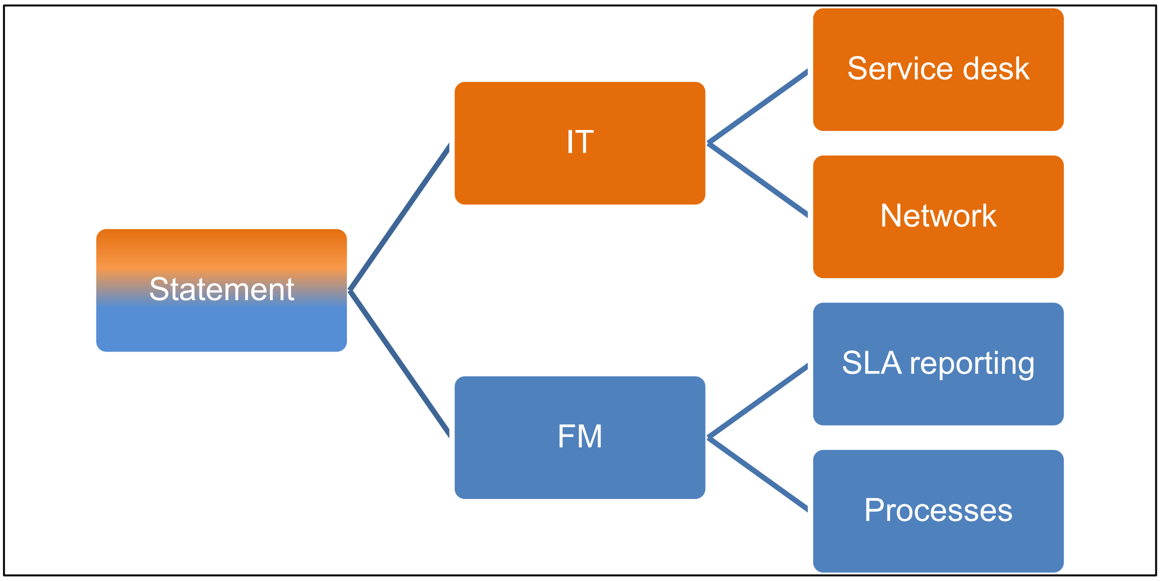

Figure 17: Breakdown approach of complex statements

After the feedback had been specified and categorised, the learning sets started with assessing the underlying cause. Each category has been considered for the analysis. The learning sets focused on each item. For instance, item 3 included the following statement:

"Taking too long to attend to queries"

The learning set "Competencies" looked into the mailbox and calculated the response times to queries. The result was that a minimum response time is 2 minutes. On the other extreme a maximum response time has been one day. On average there is a response time of 27 minutes for 70% of the cases. As per the SLA a response time should be 1 hour for 95% of the cases.

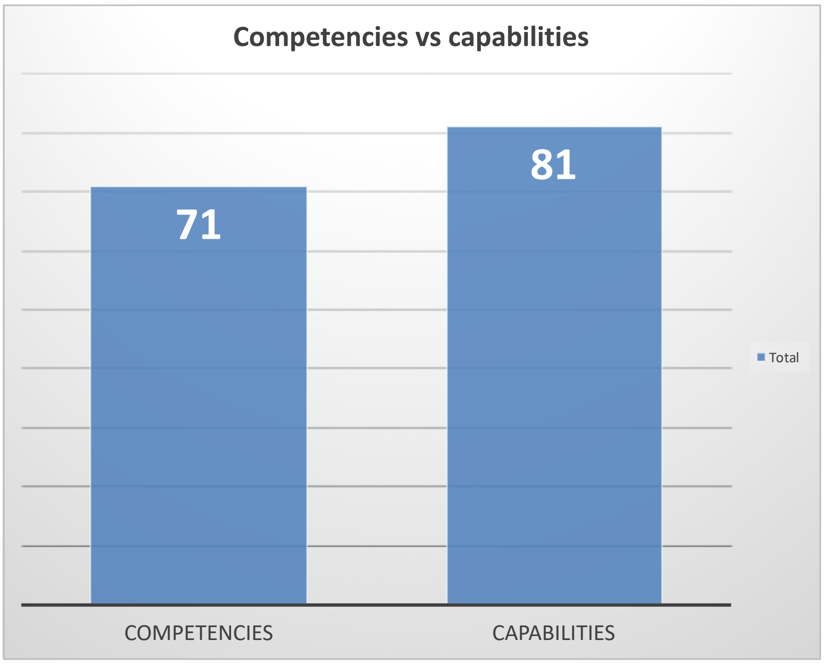

Figure 18: Issues of competencies or capabilities

For each response a corresponding variable has been matched. As a result, capabilities related issues account for 54% and competencies related 46% (refer to Figure 18). This result was important from the organisational perspective. On one hand, it provided evidence of a lack in capabilities of the team members. Hence, as learning for the organisation it seemed appropriate to focus on individual capability development. That is also supported by Ethiraj et al. (2005), who argue that measuring resource capabilities at a micro level is able to improve an organisation's performance. On the other hand, the result also showed that the organisation itself and its competencies are required to improve. Finally, as action researcher I assumed that action learning is able to initiate and support the improvements.

Subsequently, from the responses the learning sets have created following problem statements (Table 20):

Table 20: List of problem statements

	Problem Statement
1	Onboarding not on time
2	Leaving policy not available (e.g steal data, mailbox still active, policy is in place, no one follows)
3	SLAs not clear (e.g customers/users don't know)
4	Protocols for emergency situations not available/not clear (e.g bomb threat, media presence)
5	Responsibilities for customers not clear (e.g who resolves the issue)
6	IT/FM responsibilities not clear (e.g VC)
7	Missing quotes/contracts with customers/vendors
8	Not effective knowledge sharing/transfer (e.g only one person knows about one issue, saving documents on personal drive)
9	Customers not aware of provider topics/ideas
10	Not pro-active/late communication to Customers
11	Customers not smiling every day
12	Too much admin (e.g non-value adding, too much paper)
13	Customers ask for supporting document
14	Too many ad hoc requests/favors
15	Not following house rules
16	No recognition/motivation for provider staff
17	Employee engagement score very low
18	Not a service attitude by the provider
19	Service Now, BC/NBM application

According to the research results different categories were defined by all the learning sets (Table 21).

Table 21: Research categories

1. Service desk
2. Business continuity & Process improvement
3. SLA reporting
4. Procurement
5. Communication
6. People
7. IT Infrastructure Performance
8. Out of scope

Overall, the iterative process to categorise the feedback was a very tedious and time-consuming procedure. The learning sets have spent 20 hours over two weeks in order to have for each item an appropriate category. The two problems faced were:

a) to define the right categories for further data analysis,
b) to decide for each item to which category the item belongs to.

One of the issues faced was that end-users were given the opportunity to provide feedback in free text form. Due to that open and free text form not all end-users were specifically mentioning the type of service addressed with the feedback. As a result, the team members had to evaluate the context of the feedback provided as well as the mentioned survey question of "which services have you used in the past one month?". Based on such assessment and approximation of related service for each item a category was matched. However, while the learning set members carefully assessed the potential category for each item, there is still the low chance of wrong categorisation included. From a data perspective, the best scenario would be to allow the users to categorise their feedback. However, due the known complexity of different aspects of services, end-users tend not to be able to link an issue to a related service. Sometimes a perception by an end-user might be different to the underlying service. Hence, we had decided to allow end-users to provide free text feedback. As a consequence, we accepted the limitation of additional efforts for analysis as well as data consistency. In addition, free text feedback gives users the chance to provide even richer data than very stringent and structured data (Doody and Noonan, 2013).

Furthermore, considering all eight categories with a total of 152 individual items, there are only three categories that add up already to 79% of the items. That means 120 out of 152 items are referring to only three categories. Those three categories are “client performance”, “service desk”, and “people” (refer to Figure 19).

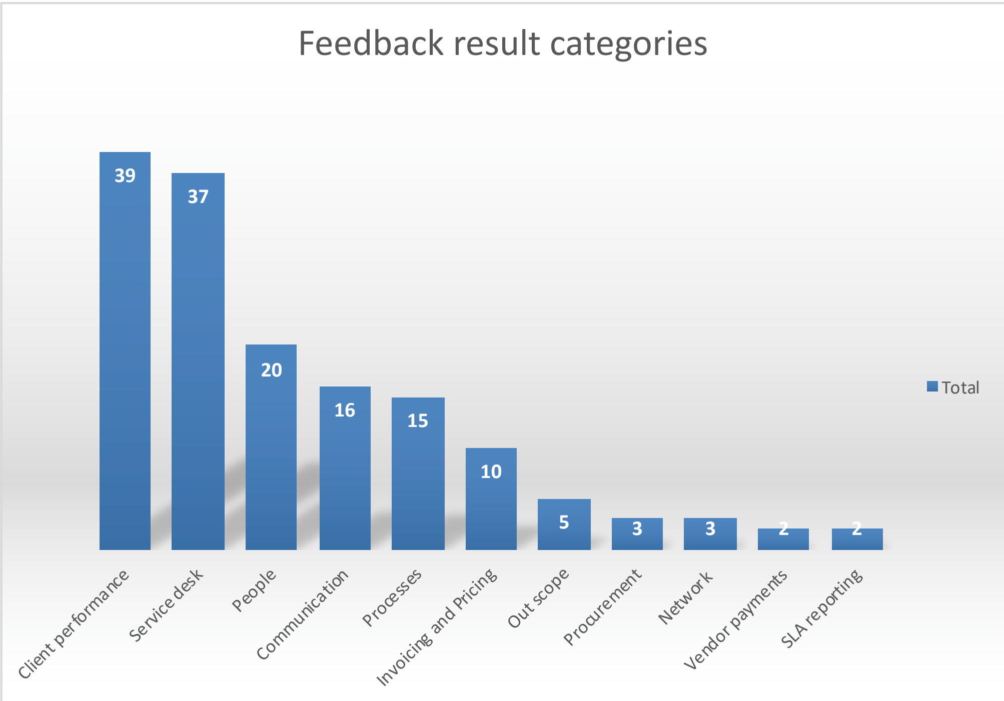

Figure 19: Feedback result categories

From an action research perspective as well as from an organisation perspective this first high-level result created questions and concerns.

Firstly, from an action research perspective, we could have looked only on these three categories. That would have resulted into a more efficient resource usage based on the given limited resources from an organisation’s perspective but also from a research capacity of myself and the learning sets.

However, on the other hand, from a rigour research viewpoint, we should also look into the other categories. Even though the categories were not mentioned often but the content might be potentially important for the respective service delivery. In addition to service delivery, there could be also other aspects relevant such as compliance or regulation. These aspects might have been mentioned only by specific and very few end-users. As a result, those feedback items with high importance would have been outscored by the more frequently mentioned issues from many end-users, which could be less important.

From an organisation's action learning perspective, the collected data has been the first end-user survey since the acquisition of the services. As a result, the survey provided the most comprehensive feedback with regard to the services and performance of the services from all the end-users. Therefore, the data categories discovered and defined provide already a very good insight into the perception of the end-users. In addition, only looking in depth into the three categories that cover already 79% of all the feedback, would have been a major achievement for the organisation. The organisation could learn from these three categories and already assume that IT and the people providing the services are the assumed problem. That means experience for end-users from IT (e.g. client performance) and services provided by the service desk people ought to be researched further and in depth. This is how action learning is able to improve an organisation's performance and competencies.

For me as action researcher the categorisation by the learning sets have also provided a lot of insights. It showed me that learning set participants may not have the complete know-how in order to come to the right conclusion. It also showed that the reflection among learning set members helps to contribute to a specific item in discussion as well as to the overall organisational development. The reflections and discussions have increased the comprehension of end-users and their requests. It also helped the organisation to provide in a better way the services.

All the learning sets ‘competencies’ and ‘capabilities’ have further broken down the categories in terms of root cause for each of the 152 items. This was required in order to connect to the research questions and concept defined earlier (refer to 3.8). The learning sets looked into each item and the corresponding root cause for the issue mentioned. We have applied ‘cause and effect’ techniques for that named as “Ishikawa diagram” and “5 – Why” (Liliana, 2016). Boxed below is an extract presented that outlines one example of how the root cause has been identified with such techniques.

Item 37: Very slow response to AVC queries & requests

- Why is there a very slow to AVC queries & requests? Because there are other things to be done.
- Why are there are things to be done? Because there are many requests to many different topics.
- Why is the response slow? Because we have to find out what the background of the query is from other teams.
- Why we cannot know what the background is directly? Because other teams in India and Europe know the details.
- Why we cannot have more transparency on the AVC queries and requests so that we can provide quick answers? We can allow access to the same ticketing system to share the same information with multiple teams.

From an organisation perspective, these cause and effect technique has been promoted with trainings in the Six Sigma methodology (Mach and Guáqueta, 2001). However, the application and usage in practice on that project is a new exploration by the learning sets. Hence the learnings were effective and very useful. It supports firstly the organisation and the methodologies introduced in a more theoretical background. Secondly it provides the employees practical knowledge how abstract concept such as cause and effect techniques can be used in their daily work.

Finally, the learning sets' outcomes were evaluated and prioritised issues such as:

- quality
- cycle time
- performance

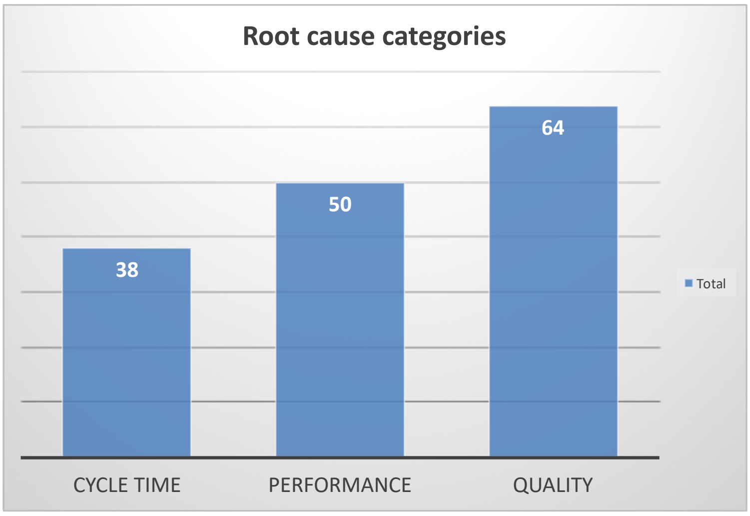

Figure 20: Issue root causes

Richter and Brühl (2017) have provided detailed evidence in their research that more than 75% of Fortune 500 companies are using shared services with the objective in increasing performance through lower costs and better services. Hence, the root causes of cycle time, performance, and quality relate to these. In addition, there is also the importance of SLA for shared services, which considers performance, cycle times, and quality. According to Karten (2004), a key element for service delivery consideration is the SLA as contractual and legal relationship between a provider and client (section 3.6.3). Hence, the root causes ought to address these key aspects. Further, as outlined by Xianhai and Michael (2011), quality and performance are key elements expected from a client to be delivered by the provider.

The lowest number of items has been identified for the category "Cycle Time" (Figure 20). Only 38 out of 152 items (25%) have been associated in that category. Fifty items have been be classified as "Performance" related category (33%). The highest number of items (57) has been clustered as

“Quality” related issue (38%). There were seven items that were not related to any of the three categories and hence left out for further analysis.

These were so far primary data captured for the purpose of this research. However, besides this research and improvement project, there were other data captured. Such other data were captured for the normal operations of the shared services, e.g. meeting notes from client meetings. These data will be presented as secondary data in the following section.

5.1.1.4 Including secondary data

The services have been managed and coordinated by the two related team managers. These team managers have setup regular meetings with counterparts in each of the client companies. Hence each team manager had to conduct about 10 meetings per quarter. The team managers have created notes during the meetings for all the points discussed and emails have been sent as follow-up (refer to section 4.7.1.5).

The meeting notes were also used since it captured actual feedback and results related to the two services. Notes in Appendix 5.A.16 show some examples from the meetings.

Out of the 10 meetings held during a period of two months, the following key points have been raised in two or more of the meetings. Therefore, these points are considered to validate also with the primary data.

- “We are not getting responses within 2 days for our IT requests.”
- “The cleaning and reset of meeting rooms is often not done timely, sometimes it takes half a day.”
- “For some of our procurement requests we do not know the status.”

In addition to the meeting notes, the clients have also provided feedback in one workshop and one town hall. The following points were raised during these two events:

- “Staff is very helpful and friendly.”
- “Requests are not always followed up timely.”

- “Sometimes the same questions are asked by the staff.”
- “When staff is on leave the cover does not always know about pending requests.”
- “There are a few areas when it is not clear which team to ask to resolve issues.”

The workshop included participants from all the ten clients. The services team had asked open ended questions with the aim to get accordingly open feedback on any kind of topic. As a result, three out of ten clients provided feedback.

During the workshop the participants acted very fair and open. Even some topics were complaints and hence there might be negative feelings or emotions attached to that, the colleagues spoke very factual. From an insider-outsider research perspective I have realised that some of the colleagues might have a negative bias towards the IT services while others might have a positive bias towards the FM services. I would suspect that personal relationships created over a long period of time, e.g. two or more years, could create such biases. Hence as a researcher it is required to consider the feedback in an appropriate way. The statements made by the individuals ought to be validated with further questions to the respective individuals to understand more background on the raised concerns. That would help to discover likely biases. In addition, validating the individual feedbacks received during the workshops will reduce the chance of biases and may present any bigger deviation from the overall results.

The townhall included all staff from three of the ten clients with a total of 180 staff. The staff and relevant colleagues in charge of the received services were also asked to provide any kind of feedback. Ten different colleagues and people provided concrete and clear feedback for our team to note down. The colleagues were end-users that reported the feedback. We could note that five of them were rather positive in their voice and feedback. They acknowledged the positive attitude of the service staff and the fast response. On the other hand, five colleagues gave feedback in a critical way. Similar to the workshop response, the feedback could have been attached with emotions and feelings that could result in biases. In addition, maybe providing feedback in a big audience like the townhall might also impact the feedback provided as well as feelings or emotions.

As a result, the data has been used as part of triangulation and verified with other available primary data when further processing data.

Overall, the secondary data used during the research also supports the ambiguity perceived related to shared services. According to Ulbrich (2006) there are issues related to the personnel providing the services. That ought to adapt to working in a shared service organisation instead of a client's side. In addition, competencies in the context of new processes and tools should be adapted. Janssen and Joha (2006) also argue that not all objectives can be achieved. For instance, the assumed better expertise and technology, higher service levels, and standardization of platforms is often not reached. Only the motives of better local IT staff and contraction of knowledge have been achieved.

For me as action researcher It was very interesting to observe and realise the reactions of the learning set members when secondary data analysis was conducted. The discussed meeting minutes resulted in more discussions and concerns from the learning set members. Participants, who provided the service for a particular customer request, felt surprised and at times also not correctly understood. I perceived that as disappointment or negative recognition of the employee.

As a result, the managers and myself had to spend unplanned times in explaining with more insights about the customer's perspective as well as in order to encourage the team members. On one hand, such disappointment and surprise could show that the employee is concerned about its services provided. The employee may always try to provide the services at its best. On the other hand, it also shows that there is more explanation and education required for the employees. Employees ought to understand what is required to deliver an expected service as well as what it means to receive feedback from customers. After all the shared service organisation should be able to improve its service delivery based on appropriate competencies and capabilities.

This experience of exposing negative feedback to the team members also helped my own development. It was very sensitive how such negative feedback is supposed to be shared if the team members are were not used to that. For instance, for the IT services the team manager had full control and only access to the end-user feedback. Hence sharing the feedback with all team members required managerial experience and guidance for the team members. The team manager had to provide explanation and reasoning in order to comfort team members.

5.1.1.5 Validation of primary and secondary data

In order to process primary and secondary data further, the learning sets validated each of the data items. The objective of the data validation was to ensure each item clearly states the services and the related remarks. Any ambiguity should have been clarified and the meaning ought to express a common understanding.

For instance, the learning LS1 discussed for 20 minutes the following user feedback:

> "Meeting room which belong to other entities cannot be booked via outlook"

That item includes elements of both FM ("meeting room") and IT ("outlook"). Team members were ambiguous if the intended meaning was to state the IT is not working or it could be also that FM was not able to manage its area of responsibility. The learning LS1 also shared their view with LS2. Finally, both learning sets agreed to account this item to FM. As a matter that the meeting rooms are part of FM responsibility. IT is only supporting FM in order to manage the meeting rooms.

The validation further focused at discussing single statements that can have different meanings. The individual learning set members learned how to distinguish user's feedback and address the right point (refer to Appendix 5.A.17).

A clear and correctly addressed point of feedback from users finally supported the categorisation of user requests and complaints in the ticketing system later on after the research project. As a result, in the future the quality of tickets and resolution can improve. That results in better services perceived by users.

This example of overlapping IT and FM requests and related conflicts from the team members also shows from an organisational perspective the need of clarification and improvements. Action research has exposed such conflicting requests as well as the disputes between two teams within the organisation. From a service provider perspective there should not such conflict and a clear understanding with regards to the request received from the customers.

Finally, the learning set discussions and reflections helped the organisation to learn and develop better processes. This has increased the service quality for the end-users.

For me as action researcher it also clearly showed me that a department or team manager should not assume that requests from end-users are always clearly raised. End-users may submit requests that are not clear for either a team or the organisation. Hence it is important for a shared service manager to have close monitoring of requests in place. This would ensure that the services are performed as expected by customers. The capabilities on an individual level but also the organisation's competence will improve.

5.1.1.6 Reflection

As part of the action research, reflection of primary and secondary data by the learning set members and including myself achieved learnings for the participants. The learning set members expressed the content in their own words and suggested a common understanding of the issues raised by the end-users and clients. The learning set members discussed and commonly agreed if the issue relates to 'Capability' or 'Competence'. As a result, the learning sets suggested if there was a need for technical or process improvement or a matter of training or coaching.

In terms of action learning, I have observed how the learning sets were assessing and discussing the data. I have accounted the arguments and conflicts among the participants and team members. From an organisational level, I could also see how processes have been reflected and adjusted as a result of the learning set discussions.

In addition, I also observed the different learning and engagement in the learning sets. Each individual as part of the learning set has a different role as well as personal character. Even there is an organisation behind and bringing all individuals together in the learning set, it is still too a very large extend a matter of personal preferences and experiences. In the following six paragraphs I have elaborated and reflected on the various elements.

Individuals: As a researcher I ought to consider individual preferences and perceptions as part of the learning sets and action research. Out of the total number of learning set participants there were five colleagues very actively involved. These colleagues led usually a learning set discussion. Two of the colleagues were on junior level, three of the colleagues were already more than five years with the shared service organisation. Other colleagues were much quieter. These quiet colleagues contributed on certain subjects or discussions. there might be staff that is simply interested in doing standard work and not so much in additional, that requires to motivate the staff to join such new ways and approaches, individual conversations, show and present how things can change, what are benefits of change without adding more work time but adding more interesting content to work, What I also experienced is that different staff have different career aspirations, some state that they are very happy about what they do and can do in future (change resistant), others just want to follow manager, others have many ideas but hard to pursue any of those

Bias: However, as part of the research I have not further pursued the observations with regard to personal perceptions and preferences as well as cultural backgrounds. Any response provided and collected has been considered neutral without assessing any bias or impact on the overall learning set or action research outcome. As action researcher I saw my role as being mindful of potential bias but not evaluating any degree of bias. Bias may have different sources and various circumstances.

Break-out: Further, my reflection and observation are the benefit of this action research project of breaking out from usual and daily works. The learning set members were looking at a different topic outside the normal desk environment. That would provide the staff having time outside the busy daily schedule to think and discuss about their work-related topic but from a different perspective.

Time management: On the other hand, for the organisation it is a challenge of managing the free time required for conducting the action research project. As shared service provider there are existing and underlying SLAs in place. That requires the provider to perform the services as per agreements. That also requires the provider of having their resources in place to deliver the services as agreed with customer. Therefore, such action research is certainly an additional effort that needs to be managed within the organisation. Another point to add on the challenge is the overall aim for a work-life balance as promoted by HR and as demanded by staff.

Culture: Another action learning is my observation and reflection that the organisation still has to embed an organisational wide culture for review and discussion. This research not only on an individual manager level but on organisational wide level such time for review and discussion.

Buy in: One critical point in the research is the buy in from higher management level. That allows not only to realise such action research and action learning idea but also motivates other people to participate and support. I have included the senior management of the shared service organisation before the research has started. I have highlighted the necessity and importance of improvements required. I have outlined the objectives, the process, involvements of participants and any risks related to the research. I have also involved important functions such as compliance and human resources. Without the necessary support and engagement of these functions it is not possible to conduct research. During the research project I have also engaged and updated each of the stakeholders so that everyone felt the project was on going forward in the expected direction. After all the buy-in was granted and I have received the necessary support.

However, considering research to be as less biased as possible, the involvement of an organisation's higher management could be also considered as a bias and pressure for individuals to participate. That might have been the case by involving HR and also including the participation in the annual performance review of the learning set members. However, I have tried to maximise and highlight the voluntarily participation without any negative impacts if someone would not want to participate.

The positive engagement of all participants during the research project might be an indication that the employees did not perceive any management pressure. Besides, looking from an entire organisation perspective that is a key success criterion to allow realisation of the action research and action learning.

5.2 Action cycle two

After action cycle one, which focused on the assessment, validation, and verification of the collected primary and secondary data, the action cycle two focused on data as outcome of cycle one. The overall objective of action cycle two was to find ideas and solutions to improve the overall situation of the shared services. That means instead of researching and analysing the data provided by the end-users and customers, the learning sets aimed to find solutions in order to improve the situations and reflections explained in cycle one (Figure 21).

At the same time, action cycle two was also supposed to further progress in terms of action learning. The learning sets and their participants would have gathered already an understanding and know how about action research. Therefore, I assumed that action cycle two would be able to add more value to the individuals as well as the organisation due to action learning. For me as action researcher this would give me also an opportunity to focus more on observation of the action learning rather than in the beginning of action cycle one explaining about action research.

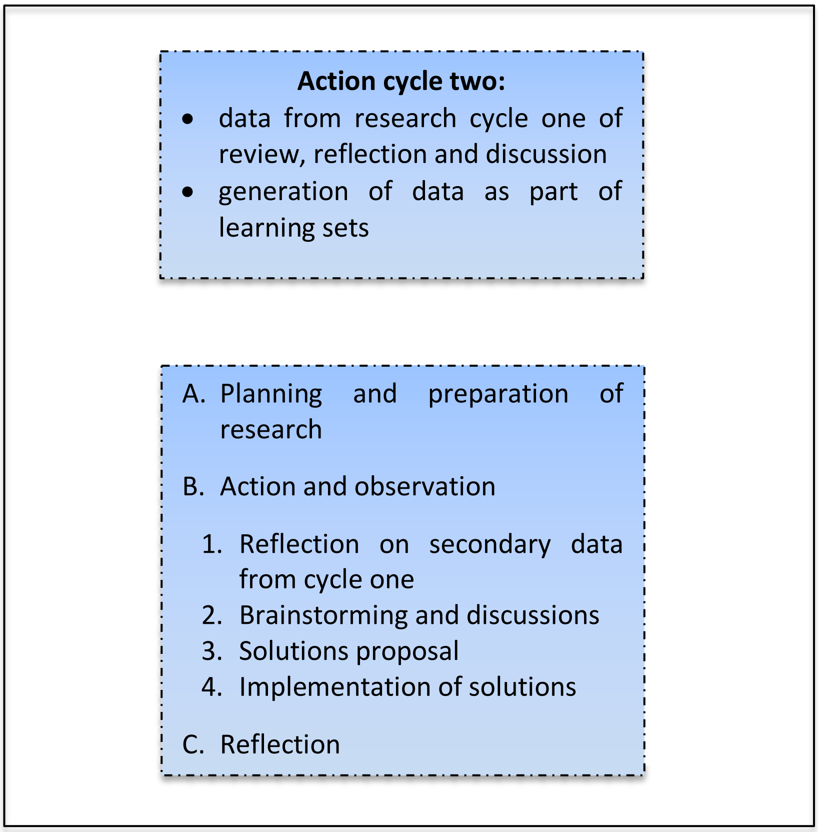

Figure 21: Structure action cycle two

5.2.1 Action and observation

5.2.1.1 Creation of learning sets

Given the positive experience and learning through action cycle one and in order to remain pragmatic and to minimise disruption of the daily operations, the learning sets continued working in the same setup as in cycle one. Each learning set focused on their specific and particular topic as outlined in Table 19. The continuity of the learning set composition also allowed focus on progressing on the action learning without creating a disruption for the participants as well as the organisation. This should also support the quality of both action research and action learning.

5.2.1.2 Brainstorming and discussions

The start of the ideation included brainstorming and discussions. These were done during two meetings for each of the four learning sets. The objective of the two meetings held was to allow open thinking, ideation, commenting and discussion related to the mentioned data results from cycle one. That means after the learning sets had analysed, reviewed, interpreted the end-user and client data, the learning sets ought to take the results forward with the aim for improving the situation.

The learning sets met twice for the brainstorming and discussion. In the first session the focus has been on letting all the learning set members share their ideas, opinions, views and comments. The objective was to get a lot of ideas for each of the topics. As shown in table Table 22 as example of ideas created by the learning set 'capabilities' with the focus on improving the capabilities for providing the services.

Table 22: Brainstorming results

	Problem Statement	Brainstorming
1	Onboarding not on time	Start as soon as HR confirms, personal check lists, follow-up's by individuals, trainings
2	Leaving policy not available (e.g steal data, mailbox still active, policy is in place, no one follows)	Coaching and education, document sharing
3	SLAs not clear (e.g customers/users don't know)	Training about effective communications, newsletter, workshops, mailing lists, carricature
4	Protocols for emergency situations not available/not clear (e.g bomb threat, media presence)	Posters, education and workshops, quarterly reminders, quiz
5	Responsibilities for customers not clear (e.g who resolves the issue)	Roles&responsibilities list, emails to stakeholders and end-users, posters, single phone number and internal assignment

The brainstorming and discussion meetings were based on the common brainstorming rules. That included one person to write down on writable wall. The learning set members were able to discuss openly without valuation or comments on the members' sharing. In addition, the learning sets also considered in their brainstorming and discussion the recommendations provided by the end-users (refer to section 4.8).

From an action research and action learning perspective, since the learning sets worked together during action research cycle one already, the start of the brainstorming sessions was very fast. The sets knew already the topics to be considered and discussed. The previously prepared result and statement lists were the basis for the brainstorming. Each learning set member had a copy of in front. That created an open and fully informed brainstorming for all participants. All participants were able to share their ideas and opinions. As in cycle one, there were some participants more engaged than others. However, overall the participation was significantly more active than in cycle one.

As action researcher I would argue that the learning set members became more familiar with each other. The atmosphere of the brainstorming was more open. I could also observe that the members indeed had fun when sharing their ideas. While the rules allowed open sharing and no judgement, it naturally happened that some team members tried to judge a view. That appeared to be more a kind of reflex reaction rather than an intended valuation of another learning set member's opinion.

I have asked one individual from each learning set if they have also observed that change. Three out of five have also clearly confirmed my observation. Two of them have mentioned they like to contribute ideas to make the things better. They like to be heard and their suggestions to be implemented. I would argue that this is an indication that the objectives of action research and action learning have taken impact.

The outcome of the first sessions for each of the learning sets was a wide range of ideas and suggestions how to improve the situation. The second session focused on review of the outcomes of the first session as well as listing down only five items for each learning set. Limiting the number of items would allow better focus and more detailed discussions. The learning set members discussed which items should be retained and which items should be not continued. The decisions were made based on general judgement in terms of effectiveness, complexity, feasibility, timeline, and potential required budget. Based on that each item had a score attached. Only the five items with the highest score were considered moving forward.

However, as action researcher I am aware that reducing the number of data sets may limit the potential outcome of the research. At the same time, the chosen data sets might be also biased due to preferences and opinions of individuals. In addition, the scoring done by the team members might not be very accurate or realistic. However, in the light of the timeline and limited resources available, as action researcher for the project we had to make a decision that created limitations. These limitations are made transparent and aware. Therefore, any consideration of the research outcome should be aware of those limitations and maybe in a future research project to be improved.

5.2.1.3 Solutions proposal

The learning sets further developed the ideas from the brainstorming to solution proposal. That means the members have had further two meetings to elaborate on each of the five items that are supposed to improve the situation. The learning set members used their sources of know-how but also had the chance to research and receive advice from other sources outside the learning set. That would help to effectively define solutions in a comprehensive way. It would also bridge any gap in terms of know-how, capabilities and competencies for a certain topic or question. Finally, the proposed solutions aimed to improve the competencies of the shared service organisation.

As an example, the learning set discussed about the issue of “cases taking longer than the expected time”. The learning set members evaluated ideas for improving the issue. The following five ideas were short-listed:

1. Auto response
2. One person focusing on managing the mailbox per day and not doing anything else
3. Auto-creation of tickets
4. Improving ticket creation in the system
5. Users create tickets by themselves

The overall intention of the solutions was to address the concerns with regards to competencies of shared services. As highlighted by Ulbrich (2006), competencies are an important focus for shared services, which includes processes and interfaces. Only if these are included the originally planned and aimed benefits can be realised. Kunz and Hogreve (2011) also argue that customers should be using more technology in order to improve the experience. As a result, productivity and remote services could be fostered. Lastly, as Feeny et al. (2005), focusing on the core competencies and therefore improving those, is the crucial success factor for shared services. Only then the expectation of the clients can be met with the shared services operating at its core competencies.

In the following section the proposals are presented that were made by the learning sets.

5.2.1.4 Implementations of solutions

The learning sets have considered all the proposed solutions. At first the solutions have been considered with an impact-effort-assessment. That means solutions with a high impact and low effort are preferable in order to address the discovered problems (see Figure 22).

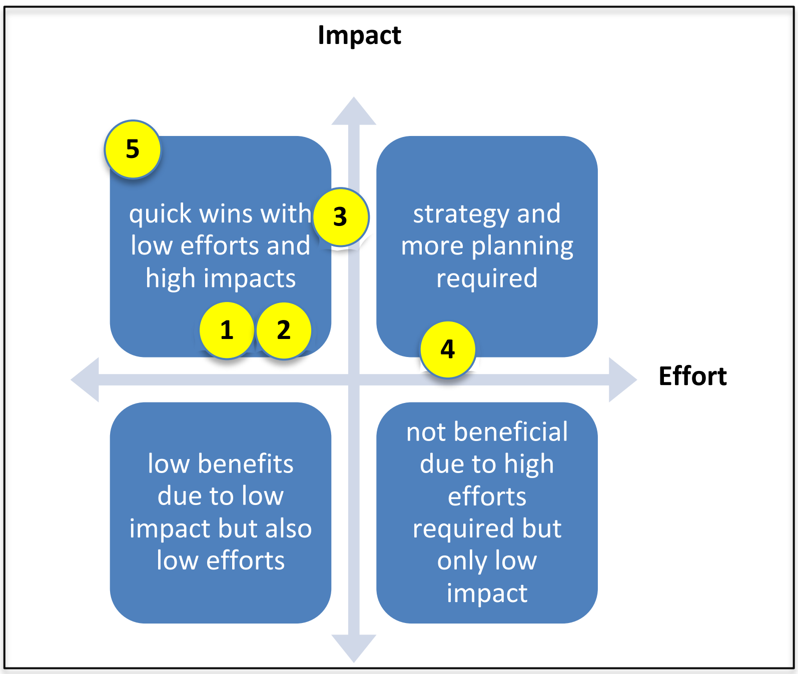

Figure 22: Impact-Effort-Matrix (Badiru and Thomas, 2013)

Finally, a list of 24 items with solutions has been proposed by all the learning sets (Table 23).

Table 23: List of proposed solutions

#	Description
1	Introduction Service Account Manager
2	Training to improve customer capabilities
3	Best practice sharing internally
4	Update ticketing system
5	Single phone number for help desk calls
6	Improve collaboration
7	"Shadowing" of processes
8	Task rotations
9	Team adjacency
10	Quarterly newsletters
11	New travel booking process and tool
12	Off-shoring of helpdesk
13	Procurement in-app catalogue
14	Communication based on carricatures
15	Change invoicing concept
16	Change service pricing model
17	Digitalise the vendor payment process
18	Upgrade business continuity measures
19	Create user-friendly SLA communication materials
20	Define framework of SLA reporting
21	Consolidate procurement processes for all customers
22	Increase team spirit on provider side
23	Improve system performance based on IT infrastructure
24	Offer more applications according to user needs

The learning set 'capabilities' has also defined a sequence and implementation schedule for the solutions as outlined on Figure 23.

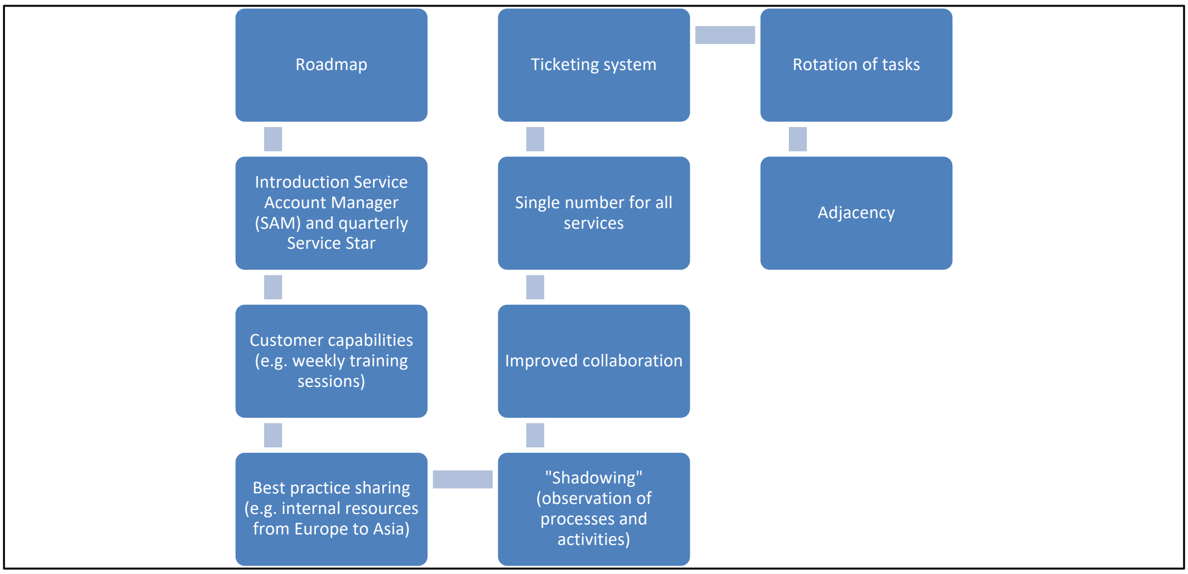

Figure 23: Solution implementation sequence

5.2.2 Reflection

As action researcher I went through the entire research process of action cycles one and two with the learning sets. I attended the learning set meetings (Table 11), participated and observed. The learning sets collected, assessed, interpreted, discussed and reflected on the primary and secondary research data. Sense-making took place in the corresponding discussions and with the corresponding data providers. The learning sets retained the original intention of the data without incorporating false interpretation or meanings.

The participants of the learning sets have developed themselves on different levels. In the very first kick-off meeting there was a high level of uncertainty and unclear expectations. The first few learning set meetings were not very engaged by all participants. In terms of detailed understanding and quality of discussions on a particular item there was also not from everyone a consistent and reflective contribution. Later on and during the action cycle two I have observed that the learning set members were significantly more active. In addition, each individual was able to reflect on items and content. In addition, the participants had also a more comprehensive and deeper understanding of the services and end-user expectations. Finally, I would argue that both individual capabilities and organisational competencies have improved.

As action researcher, it was apparent that the time lag from the very first discussion and interpretation to the next discussion and interpretation certain understandings have evolved. That opened reflections and evolving discussions and changes in understanding certain situations. Certain items that were considered initially as facts have been evolved due to reflection and different understandings afterwards. In the following I outline two examples which resulted in further interpretations of the first understandings by the learning sets and myself as action researcher.

Compared to cycle one, cycle two was much more positive and active. The learning set members were more motivated and engaged in discussions. As per response, the staff is more engaged when having a chance to change their way of working and their environment.

In addition, as action researcher as well as manager, it is apparent to consider from collected data how the individual's life or work environment can change or will change. As a result, I have observed an increased engagement and an increased motivation of the people. People were opener to share their own opinions and ideas. People also volunteered for certain extra analysis or research required in addition to their normal work assignments.

As researcher inside a shared service organisation, it is not only about delivering the service as agreed with customers but also let the service delivery staff be engaged and review how processes run. Staff has also ideas to listen to and evaluate. That can result not only into improvements in the organisation but also improve staff happiness and engagement (Welikala and Sohal, 2008; Lawler, 2011; Bakotić and Rogošić, 2017). That is what my shared service organisation is aiming for.

Variation: the simple assumption to continue with the learning sets from action research cycle one also in action research cycle two could have been varied. In this research the leaning set members that analysed primary data also worked on the same topic for cycle two. However, in order to allow other perspective on the same set of data and topic it might be beneficial to let someone else continue working on the data. That may bring in other ideas and perspectives. At the same time, that might also reduce a bias from assessing and interpreting the same data for too long time (Sherman *et al.*, 1998; Levine and Safer, 2002; Pronin and Kugler, 2007).

On one hand the staff is more engaged for creating improvements and new ideas. On the other hand, implementing changes in a global shared service organisation may reduce the motivation and engagement due to many restrictions and limitations. Updating an existing system requires the involvement of many stakeholders, introducing a new system involves even more stakeholders. Lengthy approval processes and procedures may even prevent changes happening or even staff is leaving while the improvement is not implemented yet. As a result, that makes engagement of staff and the organisation for future potential changes even more challenging. This relates back to the earlier reflection, that individual management decisions should be complacent to an organisation's culture and values.

Competencies and capabilities building could be part of an organisation's culture. Finally, with the implementation of the solutions both 'competencies of the organisation' as well as 'capabilities of individuals' will improve. Based on that the expected customer satisfaction and efficiency for the shared service provider will improve. However, in order to find this out the shared service organisation ought to monitor the progress as well as collect new data.

In the following discussion chapter, I will further critically discuss the research results and the framework of competencies and capabilities.

6 Discussion

In this chapter I will critically discuss the research questions and the framework in reflection on the research results and the literature of shared services. I will also consider the three perspectives of participants, organisation and services, and me as action researcher.

As presented earlier, shared services can provide various benefits to customers. Nevertheless, the benefits differ widely from one company to another company. Many researchers present that early expectations by the customers are not met (Forst, 1997; Kagelmann, 2001; Lueg and Keuper, 2013). On a similar note, this research presents a gap between expectations of customers and end-users and the shared services received. It conveys that the common NPS score from end-users is very low and in general there are a few issues related. The issues will be discussed and reflected in the following sections.

However, as part of this action research project, the learning sets have achieved a lot of progress in terms of personal as well as organisational learning. In addition, the outcome also points out improvement measures that the shared service organisation has implemented as well as could still implement. Finally, the overall objective of improving the status quo seems valid but yet should be assessed by another research team.

Further, the discussion will be based on the framework around shared service competencies and capabilities. As presented in chapter 3.8, the benefits for end-users as well as efficiency for the shared service organisation will increase as soon as quality, cycle time or performance of the services will increase. However, it could be also a combination of either of the three (quality, cycle time, performance of the service) to have a positive / negative impact on the end-user benefits or performance of the services.

As review, the following three research questions have been asked and will be part of the upcoming discussion:

- How can my shared services be improved for the customers?
- How can a framework of competencies and capabilities help to improve shared services?
- How has action research and action learning helped my shared services to improve?

The discussion chapter will include learning and reflections of the action research and action learning process. It will focus on key findings and how the key findings relate to existing literature arguments. I will also include my personal reflections and thought processes as part of my dual role of researcher and practitioner.

6.1 Key results: issues of shared services

The action research project started with feedback received from customers and end-users of the shared service provider. The feedback indicated that the services provided in terms of IT and FM were not satisfactory. However, the feedback had been provided randomly without sophisticated approach. In order to justify the feedback, I started the action research project. In order to structure the research based on a framework and based on the origin of shared services, that is to allowing organisations to focus on their core competencies (refer to section 3.2), I have developed a framework of competencies and capabilities (refer to section 3.3).

As part of the first data gathering in action learning cycle one, a learning set collected feedback from all end-users and customers. This helped to validate the initial feedback as well as discover more details. That initial feedback provided as part of the local entities clearly reflects the negative informal feedback received earlier. That also relates to one benefit of a shared service organisation, which is part of a larger group organisation. The end-users receiving the services and the staff providing the services know the whole organisation. The people also know who is accountable and are able to provide such open feedback, which helped to initiate the research (Forst, 2001).

As outlined in section 4.7.1.3, the first data collection was done through a survey that was sent to all 567 end-users. 133 end-users provided an NPS of -46.5. That clearly shows how negative the services have been perceived by the end-users. The initial feedback has been confirmed. The low NPS could be accounted for by two points raised in the literature. The very first argument is that excellent customer service should be crucial for any service organisation (Kotler and Armstrong, 2001; Baron, Warnaby and Hunter-Jones, 2014; Palmer, 2014). That is also closely supported by the argument and key objective of creating shared services, which is to deliver higher quality services for end-users due to better resources and capabilities.

Further, there is the argument that service organisations should always try to exceed customer expectations (Sofiyabadi, Kolahi and Valmohammadi, 2016). As a result of this objective exceeding customer expectations, the users might further increase their expectations, beyond the official and known service level agreements (refer 3.6). Therefore, on one hand, end-users could provide lower NPS than actually perceived. The end-users may feel that the services received are further away from the standard. On the other hand, end-users with good personal relationship might provide a higher NPS (de Haan, Verhoef and Wiesel, 2015). Various researchers also argue and highlight the necessity of relationship building and development between service provider and clients (Feeny and Willcocks, 1998; Feeny, Lacity and Willcocks, 2005). In order to achieve at least satisfying services, this needs to be communicated and clarified with end-users. The situation in my organisation is and was that to end-users it is not clear what to expect. Hence, managing and communicating service expectations is crucial (Marciniak, 2013; Baron, Warnaby and Hunter-Jones, 2014). As observed in my practice, an open communication of service expectations can result in a reduction in the number of tickets, requests and complaints. These are usually the most time consuming, effort taking and finally costly requests to respond on.

Forst (1997) presents the benefit of consolidating common functions in one organisational unit. However, in this action research with one department that is serving 567 end-users, this cannot be confirmed. As per end-users' feedback, there tends to be the ambiguity of who to approach and who to ask for a particular request related to IT and Facilities Management. Based on my position overseeing the entire department of the services, this ambiguity should be reduced or removed. Since end-users and clients speak to me and the team members on the corridor, they ought to know exactly who to approach for which topics.

The action research has not considered detailed cost collection and assessment while generally the literature points to cost savings through shared services (Kagelmann, 2001; Purtell, 2005; Ulbrich, 2006; Gewald and Dibbern, 2009; Su *et al.*, 2009). I would be able to argue that the functions of IT and FM exist in this research case only once as part of the shared services. That covers tasks such as helpdesk, phone answering, physical assets such as desks and equipment. For the case of not having shared services but 10 times an IT team or FM team such tasks would create additional costs (Kagelmann, 2001; Purtell, 2005; Ulbrich, 2006; Gewald and Dibbern, 2009; Su *et al.*, 2009).

6.2 Focus on competencies: implications

The argument of focusing on core competencies has multiple implications. On one hand, since my shared service organisation is able focus on the respective services and functions, the client organisations are able and enabled to focus on their core competencies and business. That is clearly reflected by for instance having specialist insurance companies focusing on either life insurance, property insurance, health insurance and so forth. These companies are not required to focus their competence development on functions that are provided by the shared service organisation but only their core competencies, e.g. life insurance. On the other hand, the shared service organisation is able to focus, further enhance and innovate competencies related the services provided. That provides an advantage for the services but also for the service receiving customers (Janssen and Joha, 2008; Schwartz, 2008).

As part of the action learning the learning set was able to identify certain quality issues. It was the first time for the shared service organisation in that location to request such detailed feedback from end-users and clients. While literature suggests the improved quality of shared services (Gewald and Dibbern, 2009; Richter and Brühl, 2017), the research found evidence that quality should be improved from an end-user and client perspective. At the same time, the research also indicates that efficiencies are expected to improve from an end-user and client point of view. According to Purtell (2005) and Su et al. (2009), shared services are expected to provide such benefits of efficiency improvements.

The findings of the research also support the understanding of shared service enabling new technology implementation (Ulbrich, 2006; Janssen and Joha, 2008). The shared service organisation has implemented and installed a new technology for desktop client virtualization. On one hand that has created the opportunity. On the other hand, the feedback received from the end-users indicates that the solution is not up to the standards.

The research has shown a gap between the expectations of the end-users and service provider. The result indicates a high dissatisfaction of service as well as solutions provided. That provides a great opportunity to analyse and assess the situation with the intention for future improvement. The target is to generate the benefits of shared services as suggested by the literature (Monroe, 2002).

6.3 Action learning in the organisation

Besides the research results it is also apparent that the shared service organisation is able to achieve learning on the concerns raised through various channels. As a first step, the organisation was able to collate a vast amount of information related to a particular issue or problem within the global organisation. According to my knowledge and information, it is the first time to achieve this in such sizeable location with multiple entities of this organisation. The results highlight across organisational issues and topics that have not been collated before. It has been a large amount of data related to concerns raised by all hierarchical levels. For an organisation's development it is crucial to collect data for understanding the performance within the organisation. This can be done either structure by product or more informal as-and-when-required (Rockart, 1979).

Action learning also supported to engage the actual service delivery team to execute the entire process, from data collection, data analysis, recommendations and improvement implementation. Action learning allowed the staff to reflect on the daily ongoing issues reported by the users and clients through the survey. According to Nugus et al. (2012), such engaged action research approach reduces the resistance of staff and increases the chances of adaption of changes.

Action learning helped the organisation itself to reflect on relevant competencies and capabilities. The team was able to take up feedback, reflect and assess what is needed. The team members were able to learn along the research journey. For instance, before the research the awareness of the difference of end-users thinking and mindset was not well established. IT personnel has a very strong tendency to articulate in their domain wordings and logic. That is however difficult to understand by non-IT end-users. The reflection with the team has helped to bring up that important topic and also helped to change. Change was one of the key outcome due to the action learning (Coughlan and Coghlan, 2002).

As research suggests (Gewald and Dibbern, 2009; Richter and Brühl, 2017), improving quality is one of the key criteria for shared services. Based on the action research results and action learning approach the team was able to focus on that area. The team became more sensitive and self-aware. End-users have clearly highlighted that quality of services is one of the key aspects to focus on and change. However, quality is difficult to measure. From a shared service provider perspective, quality of the service delivery depends very much on the organisation's competencies and the service delivering team's capabilities (Seth, Deshmukh and Vrat, 2005).

The shared service organisation that has been researched supports clearly that new technology implementation is one benefit of shared services (Ulbrich, 2006). As part of the research results is the extensive feedback on the new technology of virtual client infrastructure (Figure 15, "Client performance”). The huge number of end-user feedback regarding this new technology clearly shows the influence on the shared service staff. It also shows how sensitive the new technology is for the end-users. At the same time, due to the obvious lack in quality, it highlights the importance of technology that must be functional. This refers back to the aspect of service quality according to Seth et al. (2005). The organisation has to understand and define how end-users understand and perceive service quality.

From an overall global group organisation, a shared service organisation might be beneficial as the literature suggests (Kagelmann, 2001; Gewald and Dibbern, 2009; Richter and Brühl, 2017). Each of the various entities is enabled to focus on its core business according to its competencies. For instance, my shared service organisation has a total of 50 employees. Out of the total number of employees there were 20 employees involved in this research. That means 40% of my organisation is engaged in one of core competence areas. The remaining part of the shared service organisation of another 40% is also focusing in services and hence part of the core competencies. There are only about 10% of the staff focusing on supporting functions such as finance, administration and internal human resources. On the other hand, the client organisations might be able to reduce their respective personnel and resources in such functions provided by the shared services. However, the evaluation of the resource changes for clients has not been part of this research project.

The research results have also indicated a clear difference of responses and issues between the two services considered, IT and FM. The end-user feedback in terms of responses as well as the items raised during meetings are more related to IT than FM. That indicates that while multiple services are provided by a multi-service organisation, the shared service organisation ought to know which service is more critical, relevant or sensitive for the clients. The action learning has also shown that IT is more sensitive and mentioned more often by end-users (Figure 14). There are elements of a service that could be accepted when it is not delivered for an hour or for a day. However, in this research as part of IT there are very time critical services, e.g. end-user forgot the password and has to be allowed to access the system again. Hence it is important for this shared service organisation to realise the level of importance and put measures in place to reflect this. Finally, this also has to be aligned with the strategy regarding competencies and capabilities of the organisation. This research shows that capabilities can be developed as part of action learning (refer to sections 5.1.1.6 and 5.2.2). For instance, team members were able to learn how to identify the actual root cause of a service request and correspond with end-users in terms of better understandable language. Further, the team has assessed the feedback from end-users and has come up by itself with recommended solutions to resolve the issues. The confidence and self-awareness has significantly improved (Christiansen, Prescott and Ball, 2014). With that the learning sets also has created certain competencies for the service provider. Even if some team members would leave the team there are processes and measures in place to continue services. This is supported by Murray (2003) and the findings that organisational learning is able to improve organisational competencies.

During the research the learning sets have also highlighted that a shared service organisation within a group company seems not to get the same recognition and degree of appreciation as compared to the main businesses of the group company. Staff of the shared service organisation is considered as different to the other staff from the main business organisations. People tend to see job security at higher risk in a shared service organisation compared to a main business entity. According to Price (2001) there is a higher voluntary turnover rate in routinised jobs and functions. Also perceived job security has an influence on job turnover (Tyson and York, 2000). That means combining the roles of basic functions into one shared service organisation creates an environment of potentially faster turnover rate compared to a specific business entity. That is yet something to be researched further but organisations should be aware and validate in their particular environments.

6.4 Action learning: complexities discovered

From a personal development perspective action research and action learning has brought invaluable contribution. The participants have moved outside their daily work tasks. The learning set members had to take a different perspective on the data related to their work. The staff did not actually resolve requests but rather think why the end-users and clients have provided such feedback, which is a key capability for service performance (Ethiraj *et al.*, 2005). Then the staff had to think from this different perspective to look for a solution. That helped to improve capabilities to a different and necessary direction. As a result the staff is able to better comprehend received requests (Christiansen, Prescott and Ball, 2014). This change in capabilities might be also able to improve an organisation's performance (Ethiraj *et al.*, 2005). In addition, end-users receive a better service. However, this would still need to be validated in another research, which has not been part of this project.

Another issue became apparent as part of the action research, which is the complexity of shared services. That is relevant for the competencies and capabilities of the shared service provider. The collected data provided by end-users and clients included various different aspects and pointers. As a result of the vast of data the learning set had structured data in a multi-step approach. Finally, eight categories have been defined:

1. Service desk
2. Business continuity & Process improvement
3. SLA reporting
4. Procurement
5. Communication
6. People
7. IT Infrastructure Performance
8. Out of scope

That complexity of shared services with so many different possibilities and viewpoints requires on the shared service organisation side a clear understanding of processes and procedures (Diao and Keller, 2006; Tomasino et al., 2014; Maznevski, Steger and Amann, 2015; Braun and Hadwich, 2016). Competencies (3.3.1) and capabilities (3.3.2) are required to achieve client satisfaction (Zhang, Vonderembse and Lim, 2003). As suggested by Feeny and Willcocks (1998) a focus on core capabilities is required in order to generate the required output as organisation. From a competence perspective, Levina and Ross (2003) present in their case study the necessity to define core competencies from a service provider perspective. These competencies ought to become part of an organisations structure including the relationship with customers.

In order to achieve these competencies and capabilities, there is the need to enable the understanding of a company's internal processes and data. Without the right competencies and capabilities in place it will be very challenging to understand the data. From the understanding it requires to categorise and lastly to prioritise categories. Not everything category might be as important as another. Due to shared service organisations with the intention to generate cost savings and financial benefits for their customers are working with limited budget. My organisation usually has a tight budget constraint. With that it is commonly challenging to keep the competencies (Webster, Malter and Ganesan, 2005) as well as the capabilities (Owens, 2006) on the required level.

It would be helpful to make it clear for end-users what the issues are, to communicate clearly based on provided structures by the shared service entity. That would improve the time to resolution of issues and manage resources of the shared service organisation in a more efficient way. Otherwise the staff in a shared service team is wasting a lot of time in trying to understand what the potential issue might be. That is a significant productivity issue which finally relates to the competencies of the shared service organisation (Rauer, 2014). It also reflects on the capability development and engagement of staff. It generally also requires significantly more management attention on both the client side and shared service provider side (Johnston and Jones, 2004).

In terms of legal context, the shared service provider is liable for the delivery of services as contracted in the service level agreement. That is a legal binding and enforceable contract based on the corresponding legislation. However, in the context of one Group company with related parties, it is usually challenging on what grounds legal actions would be taken (McConnell, 2014). That perspective has not been part of this research project and might be interesting for another research project.

As part of the action research project it has become important and apparent that not every detail of data can be analysed and used until the end of the research project. The learning set has been coping with many data but only limited given time and resources. Therefore, as my shared service organisation it is important to know and understand the root causes of service delivery failures. Abstraction and combination of data can result in wrong detection of root causes. As a consequence, resources could be guided towards an insignificant root cause which might have less impact on the outcome or even an unexpected outcome with regard to the end-users and clients.

Various researchers highlight the importance of relationship and strong connection with customers. It is very important to understand the requirements and needs of clients and end-users (Levina and Ross, 2003; Ethiraj *et al.*, 2005). This research has highlighted this as a challenge in my organisation. The end-user feedback shows lack in communication and responsiveness. Both communication and responsiveness are important for providing critical shared services to clients and end-users. If communication is not done in the appropriate manner, there will be a disconnect between end-users and service providing staff. As end-users had provided feedback that the providing staff was not able to capture clearly about the request or incident. As a result, the requests or incidents are not able to be addressed in the expected period of time. Finally, the level of frustration on the end-user side will increase while the service providing staff might not even be aware of the miscommunication. In addition, end-users and clients expect very responsive actions by the shared services staff. For important and critical incidents, the end-users almost want instant updates about the progress of the request. That means responsiveness is a requirement to address and consider, which is usually kept on a minimum level. As a consequence, the performance as well as the quality of the service delivery is unsatisfactory.

Furthermore, there should be clarity between clients and shared service providers about the service expectations and service quality (Sako, 2010; Mohamed, Mohammed and Abdullah, 2015). The research has presented this as a challenge for my shared service organisation, which is to define and then distinguish quality of service from performance of service. Those points are represented by specific parameters and included in the legal agreement between shared service provider and clients. As part of this research there are the so-called Service Level Agreements (refer to section 3.6) including the performance aspects (Levina and Ross, 2003). This is measured on objective performance indicators such as response time and resolution time. The response time for IT service requests has been defined as one hour. The resolution time, however, differs between different criticality levels, from 4 hours to 5 working days or unspecified. This can be measured in terms of tracking the time from raising a request until the time the request is raised. However, in between these two measure points there is no agreement how performance is measured. As a result, it is a challenge to manage any dispute between provider and client.

In addition, more challenging is managing the aspect of service quality. According to multiple feedback from end-users and clients, the quality of the service is not as expected. Thereby one of the key benefits of having shared services is improving quality (Gewald and Dibbern, 2009; Richter and Brühl, 2017). That is a clear conflict between the expected and the realised. While analysing and assessing the data, the learning set has accounted quality to the capabilities of the organisation. It is rather the "how" of providing services to clients and end-users. That includes things such as what is written in emails between service provider and end-users, how service provider staff is approaching the end-users, how the service provider is explaining the end-user. One of the findings has been that IT staff is using words and explanations that are rather technical and used among the specialists. However, an end-user will usually not be able to understand specific jargon without the respective knowledge of the subject such as IT. Therefore, end-users often feel that they are not considered when providing shared services. That would be another field of research in the future when shared services and even technology supported services are increasing to remain connected with the end-user's considerations.

6.5 Feedback and data in shared services

The research has also shown that a shared service organisation has various opportunities to collate feedback from clients and end-users. The research has been initiated based on informal feedback as well as meeting minutes from regular meetings. These data were rich with relevant information to analyse and assess the shared service organisation. Even on a daily basis there is a lot of information sharing between end-users and provider staff. Such kind of data is crucial for an enterprise to address problems and improve customer satisfaction, if effective measures are taken (Redman, 2002). Basically, with any request or incident raised by an end-user the shared service provider receives relevant information that is able to provide insights into service provisioning. However, this information is not consistently analysed and assessed. The team leader is reviewing communication between the service staff and end-users on a random basis. A deeper analysis is not done due to the ongoing duties of providing the services. The research project has been a significant opportunity to spending time on reviewing the communication on a detailed level. More importantly the entire team has been involved in the review and discussion. In addition to the daily communication between services team and end-users there are multiple other ways how feedback is provided. However, due to the usually routine works there is no process in place to deeply analyse such feedback which limits the opportunities of improvements on the service provider side as well as limits the benefits for end-users and clients. However, this will be a crucial assessment in future (Wang et al., 1998; Pipino et al., 2018).

Another aspect in regard to feedback is the observation that personal relationships matter very much on every level. Despite the fact of having tools and communication via emails in place, there is yet a strong focus on creating and maintaining personal relationships. For instance, service staff attempting end-users and clients communicating directly and face-to-face with each other. There are talks happening on relevant and important topics. That creates naturally a relation between both parties. As a result, any future incident or request might be influenced by that established relationship. For instance, if service staff has helped the end-user very quickly the end-user may consider the service staff in a more positive way. On the other side, if the end-user has granted the service staff an exceptional longer time to investigate, the service staff may favour the end-user in future. As a result, those interactions are able to create biases towards end-users, clients or shared service providers. A consequence could be that personal capabilities are influencing the competencies of a shared service provider. According to Coulter (2002), such relationship based situation might be due to the nature of services. Services are intangible. Hence trust plays a crucial and key role between service provider and recipient. In the event of change in service staff the shared service provider might be faced with difficulties to uphold services due to loss in trust despite assuming the competencies or capabilities are available. Price and Arnould (2006) argue that besides trust there is also the element of commercial friendship. That is construed despite the usual opposing backgrounds of service providers and clients, for the benefits of both sides. However, in future technologies such as chat bots or remote access tools might be able to overcome such personalised relationships. Yet, it could be also for the benefit of the service provider to focus and establish more of such relationships. Nevertheless, that would be another research subject. The questions to clarify would be how personal relationships may affect or impact shared service organisations as part of group company. That might be a different situation compared to engaging with a third-party provider, that is not covered by the same culture and policies.

After I have highlighted and discussed the multiple channels of feedback collections and personal relationships, a shared service organisation is tasked with the challenge to make use of the vast of data. A shared service organisation has to be able to capture data in a way that it can access data, understand data, and initiate changes based on those data. As part of the research project data has become in focus. However, as part of the normal daily operations there is no focus on such wide range of data. It is rather a focus on operational relevant data to execute a request or incident. In order to focus on competencies and capabilities from a shared service provider perspective there ought to be a focus on data. According to McAfee and Brynjolfsson (2012), companies focusing on data achieve significant better business performances. As presented by this research project there are possibilities to develop not only the staff but also to develop and improve the shared service organisation. In future there could be even chances to consider new technologies such as artificial intelligence or machine learning for further improvements. However, that requires a focus on data-based service provisioning.

After data have been assessed, analysed and conclusions drawn, it is crucial to translate those into actions and solutions for the shared service organisation. In this research project the learning sets have come up with their solutions from an insider perspective. That approach helped to address the identified issues and validated as part of their requirements if solutions are feasible and practical in the given context. That is a quite unusual approach. The usual practice is to get consultants either internal or external parties for that scope of works. That means outsiders or non-related teams evaluate the situation and propose solutions. There are arguments supporting the consultant approach as well as arguments that are not supportive of the consultant approach. Consultants have potentially a more objective perspective on matters as well as bringing in experience of similar projects from other organisations. As a result, the approach of the entire structure could be more structured given the experience. The time frame could be also shorter given the higher level of experience. In addition, consultants would be able to focus fully on the project compared to this project has been done in part time beside the usual operating hours. Another argument for the usage of consultants could be the risk management. That means the operations are not affected at all while with the learning sets there was usually a detailed resource planning required in order to avoid any service interruption. On the other hand, having this project conducted by the actual services team would not require any explanations or translations to another layer as consultants would be. The involved project team members would understand the issues, as also argued by Burgess (2006). In addition, consultants are usually costly and hence from a budget perspective using available resources could be a tangible alternative compared to consultants (Kelley, 1979; Lacey, 1995). In this project the action research approach with the learning sets has shown significant outcomes and benefits for both the individuals as well as the organisation without using consultants. The final implementation of the solutions (refer to Table 24) as proposed is still due to the organisation's decisions in future and was not part of this project.

Table 24: List of proposed solutions

#	Description
1	Introduction Service Account Manager
2	Training to improve customer capabilities
3	Best practice sharing internally
4	Update ticketing system
5	Single phone number for help desk calls
6	Improve collaboration
7	"Shadowing" of processes
8	Task rotations
9	Team adjacency
10	Quarterly newsletters
11	New travel booking process and tool
12	Off-shoring of helpdesk
13	Procurement in-app catalogue
14	Communication based on carricatures
15	Change invoicing concept
16	Change service pricing model
17	Digitalise the vendor payment process
18	Upgrade business continuity measures
19	Create user-friendly SLA communication materials
20	Define framework of SLA reporting
21	Consolidate procurement processes for all customers
22	Increase team spirit on provider side
23	Improve system performance based on IT infrastructure
24	Offer more applications according to user needs

6.6 Reflection of action research in the organisation

The application and usage of action research and action learning has brought up some concerns to be considered in my organisation. While action research has the given benefits of developing the involved individuals as well as the organisation by learning (section 4.3.2), there are also certain considerations to be addressed in the organisation. The first consideration is related to a rather administrative topic about the job scope and job description of individuals. There are cases that individuals may not prefer to do additional work over and beyond what is stated in the contract between employee and employer. In this given market in Singapore, when employees have a relatively strong position, there might be the situation that an employee would not be willing to join such type of action research project. The individual might not be comfortable to working in that project mode, to analysing, or to discussing matters. For this project it has been a totally different way of working in learning sets compared to the usually daily operations work. In the study conducted by Kickul (2003), it is even presented that employees may leave the employer if promises in terms of type of work are not kept. In this project there was a difference compared to the usual shared services tasks. Learning set members had to think differently and apply different learning approaches. Instead of only focusing on the *"what"* of the work it was required to think about the *"how"* and *"why"*. As stated in section 6 different individuals were perceived in different ways, some more comfortable, some less comfortable. This ought to be considered for organisations. In addition, I also recommend for further research.

Action research and action learning has further enhanced the individuals and organisation as a whole. The new approach of researching while operating has shed a new perspective on the work environment with established policies and processes. The individuals were motivated and engaged in a different way during the research. That was clearly opposed to the usual daily operational tasks. Simply the change in mindset of thinking and observation is something that could be considered from an organisational perspective. My organisation intends to define and promote certain cultural settings and assumptions. Certain attributes of culture could support and promote the receptiveness of action research and action learning. If that would be part of my organisation's culture as well as transparently communicated in the recruitment process, the adoption would be more effective. However, research claims also the opposite. Marcinkoniene and Kekäle (2007) have shown that action research would change an organisation's culture. As a result of this change, action research might become more receptive in my organisation. Denison (1984) shows that an organisation's culture impacts the participation of employees. Further, higher participation results in better performance of an organisation. Both indicates that a change in culture of my organisation may result in better action research and action learning outcome as well as overall organisational performance. Besides the organisational cultural aspect, I would also argue to consider national culture. According to Newman and Nollen (1996), national cultures play an important and strong part in the management environment of an organisation. Adoption to the localities is crucial in order to achieve high organisational performance. In the context of this research project there were multiple different nationalities involved as part of the learning sets. However, if the research would be done in a single or less diverse context there might be other occurrences and conditions. As a result, the research approach and action learning outcomes could have been different.

Finally, while reviewing the results some months after the research, I came over the following additional questions.

a) Given only a few learning set members actively participated, would it make sense to reduce the number of learning sets? The results and outcomes might be the same or very similar to the achieved results. As side effects an organisation could reduce the number of resources involved and being more productive.
b) Also given only a few learning set members actively participated, what would have been the outcome based on the inactive participants? There could be the same outcome or another outcome. However, this was not part of the scope of this research project.
c) Another aspect I had not considered further was the cultural point of view. As I have experienced working in different cultural environments and backgrounds, it could be that learning set members based on their cultural backgrounds engage and participate differently. That might impact the results of the action research as well.

The application of action research and action learning has also shown the question of which the appropriate settings and tools for learning sets in the entire organisation are. Given action research and action learning was new to the organisation there was the requirement of introduction. At first, I sought a top management confirmation. After that I have introduced the approach to the individual learning set members. Eventually the participation has been voluntarily, yet all team members have participated in the new action research approach. As part of the learning journey myself and the learning set members had to find the appropriate settings. That included first and foremost finding the best timing that would not impose any service outage for the end-users. Another consideration along the timing has been the size of the learning sets and who should be part of which learning set. Decisions need to be made while there is no clear indication in literature yet of how many participants and which personal background learning set members should ideally have. According to Mumford (2004), there should be an emphasis on the individual learning styles, the stage of learning cycle or the type of work reflected. As a result, those aspects ought to include in the action learning setup. However, Burgess (2006) argues from the perspective of services staff as opposed to management. The learning set members should look on what is required, either solutions or management improvements. Solutions would rather come from service staff, there as reflection and learning on management ought to be conducted by managers. Furthermore, the assumptions and factors for action research needed to be understand by all individuals. This point has also not been addressed clearly in literature yet according to research about managers (Walia and Marks-Maran, 2014). Further on this, Douglas and Machin (2004) have presented that different learning set members are even able to go in opposite directions, which resulted in a non-favourable change perception.

Another point of clarification has been the decision in which type of facilities the learning set activities would take place. As a matter of convenience and proximity to the office environment, the learning sets decided for meetings rooms located inside the office area. The rooms had sufficient equipment to allow display of information by multiple users as well as huge writeable walls to allow writing and sketching of ideas. The setup of the learning sets has been finally based more on best practices of the organisation rather than outside views or advices academic literature. Kember (2000) claims this as “vital facilities” and evidence of facilities would be not included but competence assumed. That indicates more research needs to be done in that area.

While conducting the action research and action learning myself and the learning sets have been faced with the challenge of finding and applying the appropriate tools. That is certainly the side effect of not using professional experts that have done similar projects before. The learning sets and I had to find case-by-case the most appropriate tools for a given situation. For certain tasks we had to rely on external tools like collecting end-user survey data. In the meantime, the organisation has also learned and evolved so that end-user surveys can be conducted with in-house tools. Besides the data collection tools there was the challenge of analysing the data in most appropriate way. The learning sets have used, and applied tools promoted inside the organisation for optimization initiatives. However, as part of the research I was not able to access if these tools are appropriate for action research or action learning. The benefit has been that the tools were available to staff and some of the staff has been capable to apply those tools (section 4.8).

Furthermore, on the action learning project I have realised a positive evolvement of individuals and evolving teams over time. The individuals had started the action research as something new and never done before. The learning set members had clearly mentioned that they would not exactly know if they were able to do such project since they have not done that before. The learning set members have been cautious of the new approach. Over the few weeks of the project, the learning set members have evolved themselves and the organisation. Individuals have learned to think from a different perspective of their daily tasks. Thinking from an end-user and client perspective has enriched how the services are provided. It also has clearly enriched the team spirit and culture. Further it has provided benefits to the organisation in terms of service quality and continuity. In particular, certain suggested and implemented measures have aimed at such improvements. The framework of 'Capability' and 'Competence' fulfilled my aim to provide a structure and guide for the learning set. The categories and sub-categories for each item have been always reflected based on the framework. In conclusion, the learning sets valued and appreciated the framework, also due to the direct connection of a shared service organisation that should focus on its competencies and capabilities in order to maintain and improve services.

The subsequent chapter concludes the thesis with a summary, limitations and a clear outlook of future research required in order to enhance research and practice.

7 Conclusion

In this concluding chapter I outline the unique research environment for this action research project. I provide further a summary on the research methodology and the applied framework of competencies and capabilities. The results of the research are summarised with a discussion on limitations of this study as well as further research required.

7.1 Shared services

This action research and action learning project was part of a local shared service entity of a global financial institute. After a merger of two main services (IT and FM) the customers and end-users complained about the shared services. Therefore, I have initiated this project based on action research and action learning.

Shared services are considered a concentration of certain business functions with a common management. As a result, their internal clients should benefit from lower costs and better quality services as opposed to each internal client would maintain these business functions (Forst, 1997). Internal shared service organisations are part of a bigger organisation with its clients but the service provider ought to act independently (Ulbrich, 2006). Further, usually strategically not important tasks and activities from an internal client perspective are consolidated under shared services. This should generate economies of scale and financially improved capital allocation (Kagelmann, 2001; Purtell, 2005). Finally, shared services should also achieve an improved customer focus and relationship (Ulbrich, 2006; Richter and Brühl, 2017).

However, besides the benefits there are also acknowledged side effects of shared services. Standardization of functions may result in lack in operational flexibility as well as in higher complexity, which is more challenging to manage (Miskon *et al.*, 2011). The creation of large shared service organisations may accumulate political power as well as may unclear accountabilities for certain functions or within functions (Su *et al.*, 2009; Meijerink and Bondarouk, 2013). Loss of knowledge and loss of control on affected functions may also affect organisations (Atesci *et al.*, 2010; Denning, 2011). According to Borman and Janssen (2013), initially assumed and expected benefits are often not achieved.

Underlying the concept and motivation of shared services is the focus on core competencies and capabilities. Starting from 1950s, a distinct strategy based on differentiating competencies has been considered as one key differentiator in competition (Long and Vickers-Koch, 1995). Capabilities have been added starting from 1960s as managerial aspect and further defined as the social element of organisations (Long and Vickers-Koch, 1995; Ulrich and Smallwood, 2004).

Customers of shared service organisations are commonly related parties (Ulbrich, 2006). Nevertheless, customer service organisation have to provide excellent services in order to exceed customer expectations (Kotler and Armstrong, 2001; Baron, Warnaby and Hunter-Jones, 2014). In practice the implementation and operation of shared services has been discussed controversial. The service quality, value-add and financial benefits are often doubtful (Janssen and Joha, 2006; Su *et al.*, 2009; Owens, 2013). The involvement of the customers and understanding their needs is key success factor (Marciniak, 2013; Baron, Warnaby and Hunter-Jones, 2014). The new generation of shared services, "Shared Services 2.0", go beyond the initial objectives and striving for higher values of services and innovating process (Lueg and Keuper, 2013). That was the direction and intention for this underlying research project, to improve the shared services provided to clients and end-users.

7.2 Research concept and approach

The research was initiated based on informal feedback from clients and end-users about the service quality. The managerial challenges were not identified at this point of time nor any root cause or other analysis conducted. Action research and action learning have been applied in that context. I have applied a triangle consideration of people, the organisation with its services, and myself as researcher for the action research and action learning. Further the elements of knowledge and how knowledge, as part of the research, has been created was defined based on Kolb's learning theory (Kayes, 2002; McNiff and Whitehead, 2006). Given the involvement of 21 learning set participants as well as clients and end-users the 'reality' of the shared services had to be created (Shah and Corley, 2006).

Action learning was conducted during a period of two months and as part of two action cycles. 4 learning sets and its members have collected data and analysed data. During action cycle one, primary data have been collected as quantitative (end-user survey with NPS) and qualitative data (end-user survey with open-ended questions). In addition to the primary data, there were also secondary data available, e.g. meeting minutes. Further, as part of the learning set discussions and reflections, more secondary data had been created which were used in action cycle two. During action cycle two, secondary data were processed during discussions, brain storming and learning set reflections.

Action research and action learning included the learning set members and me in the dual-role as insider–outsider researcher. The learning set has actively researched and contributed to know-how creation. Reflection as part of the action learning has created more data that helped to further improve the capabilities and competencies. As a result, this has contributed to the overall change in the organisation and its services provided to clients. Lastly, I have been both the head of the department of the related shared services as well as the researcher. I attended learning set meetings and discussions. I also observed and guided during the learning set meetings. I also captured the learnings from an individual learning set member as well as from an organisation perspective.

7.3 Results

The research has provided many insights into the people as part of the learning sets, the organisation with its services, and me as researcher for the action research and action learning. Basically, the initial informal feedback from end-users and clients has been confirmed. Out from 133 users, which corresponds to a feedback rate of 23.5%, an overall NPS of -46.5 has been calculated. That is on a lower scale given a range from -100 to +100 (Grisaffe, 2007). Results also show that 80% of the qualitative responses provide more insights for IT compared to FM (20%). From all the feedback received, only three categories add up to 79% of the reported items.

The learning sets further analysed data. As a result, ‘Capability’ related items account for 54% and ‘Competence’ for 46%. Based on that the learning sets defined problem statements related to the issues identified and underlying categories. As part of the learning set discussions and reflections in action cycle one, I have identified six key results.

Firstly, the individuals are key to the setup of the research and learning set creation. It was necessary to inform, brief and guide individuals during the research. That is also considered as key factor to improve research quality. Secondly, bias could be part of any conversation or analysis. Hence, I have tried to remain neutral and involved my manager to challenge certain observations. Thirdly, a benefit has been that the research project provided time besides the busy daily schedule. The structured research allowed staff to look into their work-related issues from a different perspective. However, time management is crucial given the research has been conducted as part of the daily operations. Fifthly, I have observed that this new research approach may have touched the organisation’s culture. Therefore, an organisation can benefit from the action research and action learning better if the culture is adjusted and prepared. Respecting culture and policies is important to achieve quality research results. Lastly and critical is receiving the buy-in for the research project from all stakeholders. Management of the organisation has to be part of the research from the beginning. As a result, the overall research quality will be higher.

As part of action cycle two, the learning sets brainstormed and defined solutions to address the problem statements in the categories. In total 24 solutions have been setup and a roadmap created for implementation. However, the overall implementation and assessment of the results after implementation was not part of this research.

Finally, the action research and action learning has provided a change to the shared service organisation. This change involved a major part of the organisation as well as different aspects of the organisation, e.g. culture, service provision, legal and compliance, human resources (refer to sections 2, 4.5.2, 4.7.1, 5.1.1.6, 5.2.1.4). The results show that based on the appropriate and comprehensive setup the research has provided the expected insights into the shared services. The learning sets have also contributed solutions for themselves in terms of capabilities as well as competencies for the organisation.

7.4 Implication and legacy

The research project of action research and action learning has created several implications to the learning set participants, the organisation and its services, and me as action researcher. A few of the implications have also resulted in retained changes and legacy of the project.

First and foremost, I consider as most valuable implication that capabilities for participants are able to change and improve. Participants seemed significantly opener for a culture of discussions and team mentality. The creation of the learning sets and combination of different teams have resulted in more engagement across the teams. At the same time and as valuable is the implication of change and improving an organisation's competency. My organisation opened itself to a new approach and way how challenges are approached. Action research has shown the participants but also the management and the customers that such open and transparent project is able to achieve the desired outcomes. The new approach has become an attractive alternative to the traditional isolated and enclosed project teams. Hence, capabilities and competencies are able to develop through action research.

The change of competency got supported about one year after the research. My organisation had to roll out a major software update of the virtual client infrastructure to all end-users. During the action research project this virtual client infrastructure had the highest feedback results with most complaints (refer to Figure 15: Feedback result categories). Due to the positive experience during this action research the team in charge of the software update applied the same transparent and engaging action research approach. The project team members created their own learning sets. The learning sets have engaged very early with customers and end-users. On a frequent, regular and structured basis the learning sets and customers have reflected on the different outcomes of the roll-out stages. The learnings of the reflections have been applied in the next stages of the roll-out. Finally, the customers and end-users perceived this roll-out as very positive due to the engagement and transparent communication. Even if a "bug" occurred in a new stage of the software, due to the close engagement and fast learning the end-users had a positive perception and feedback.

For me as action researcher and practitioner the experience of this action research project had also implications for my subsequent practice. On one hand this structured approach has helped me to delegate more work which I might have done by myself before. The observations of the learning sets have helped to gain more confidence in team members and realising the learning potential of individuals. I have learned that the structure and direction as defined and provided during the action research is to a certain extend sufficient to allow a team like in a learning set to explore problems in practice. Teams are also able to reflect on their work and gain through learning of the reflection. On the other hand, the implication for me is that I can also create learning for an organisation and its performance. It is not only about the participating individuals, but a broader organisation and the way of operating can be also influenced through action research. The competency of an organisation is able to change. However, that would require a consistent and frequent communication to stakeholders (refer to 6.5 Feedback and data in shared services). Stakeholders of an organisation ought to be informed and updated about such new way of projects and services.

Furthermore, my research has also implications to the literature. This research project clearly shows that action research and action learning is able to contribute to a complex multi-national organisation. This research project has also presented how participants of the research were able to develop and progress while conducting the research. The individual performance of people has improved as well as the overall organisational performance. I have also presented how a framework from the theory about 'Competency' and 'Capability' can be applied to a rather practical problem.

Finally, there is also the implication for the literature with regards to researchers. I have developed myself by initiating and conduction this research project. In addition, I have contributed to the development of research participants and my entire organisation.

7.5 Limitations

The research also has limitations. Limitations were provided by the legal boundaries of existing contracts related to the services provided by the shared service organisation to the clients and end-users. That means during the entire research the learning sets had to act cautiously to avoid any service interruption.

Further, the research has been conducted only in one part of the global organisation in a specific location. The results and experiences gained as part of the research may not be applicable to another part of the organisation or even a third party.

A limitation of the research is that actual improvements were not measured. The research was not based on defined KPI results before and after the implementation of suggested improvements. Hence, I am not able to claim based on data that the suggested solutions (refer to Table 23) would finally also improve the performance of the shared services for my shared service organisation and the clients.

Another limitation is that one of the largest benefits of shared services has not been considered in this research due to time and resource constraints. Economies of scale and therefore anticipated cost savings is a common goal that the application of shared services should achieve (Kagelmann, 2001; Purtell, 2005; Ulbrich, 2006; Gewald and Dibbern, 2009; Su *et al.*, 2009). However, the researched issues, proposed solutions or potential improvements have not been evaluated with regard to costs.

As insider–outsider researcher within this action research project, I have been also the head of the department of all the learning set participants. I would also consider this as a limitation to evaluate the action taken as part of the research and learning. If someone not responsible for the department would have conducted, guided and observed the research there might be other results. In addition to my role as head of department, there is also the element of bias throughout the research. Learning set members have analysed and discussed topics from their daily work. The discussions were also related to clients and end-users the learning set members know. As observed, different individuals may consider certain situations differently and henceforth the outcomes can differ.

Another specific element of the research has been the creation of the shared services. The two services have been merged from another organisation as part of the global group company. That already included certain relationships and legacy. As a result, the initiation of the research as well as the way the services are provided might not be applicable to other shared service organisations.

Lastly, as limitation, I would also consider me as part of that. This action research and action learning project has been the very first for me. Hence there has been learning and experience gaining for me, especially in the beginning of the project when setting up the learning sets and starting the discussions with the learning sets. For another action research project I would be more experienced and may generate other results and learning experiences for the organisation, the individual participants and myself.

7.6 Future research

The research has provided many insights and results. The research has also provided many solutions to the shared service organisation. These solutions could be considered for future enhancements or sharing with other parts of the organisation. On an annual basis, surveys take place to assess about the services provided. That allows future projects to apply the same approach as during this research project. Ultimately the research supports continuous improvement of the organisation based on scientific approaches applied in practice.

The cultural aspect within the organisation and how action research and action learning is perceived and conducted is another perspective for future research. This project has been conducted by my individual motivation and engagement without having the organisation’s culture aligned. However, based on the ongoing experience throughout the two months it appeared that the engagement and outcomes of the learning sets improve. Hence, I see the opportunity to research how organisation might apply action research and action learning if on a more general level the principles are applied.

The developed framework of competencies and capabilities has been a very valuable and helpful tool and guide for the research participants and me. Nevertheless, the framework has not been scientifically justified or tested. As outlined in the literature review (refer to section 3.3), the intentions and origins of shared services are related to core competencies and core capabilities. Yet more research ought to be conducted on that subject.

One challenge of the research has been the complexity of the shared services and how to find the appropriate category for certain issues. In future, such feedback categorisation might be able to be done by artificial intelligence, which was not part of this research project. A solution could include a database of user feedback, which could be used in order to define business logic to link a request into the correct category. Finally, the service teams can focus on service delivery instead of trying to understand what users intend to feedback. As a result, the efficiency as well as the effectiveness of services may improve.

Further research would be also required with regard to the organisation’s strategy. There are scenarios that changes in personnel result also in change in strategy for departments or teams. However, such change in strategy was not provided from the top of the organisation. One could argue that such lower level change is creating a motivation for the lower level management in terms of responsibility and empowerment. However, looking at an employee level that is highly engaged, such change may result in less motivation. Hence further research would be required in order to evaluate the impact on organisations.

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Appendix

A.1 Appendix: Ethical approval letter

DBA Ethics Committee - 7 March 2017 - Joerg Zeugner - joerg.zeugner@gmail.com - Gmail - Google Chrome

gle.com/mail/u/0/#search/ethical+approval/15aa90598b0c99c7?projector=1&messagePartId=0.1

Dear Joerg Zeugner

I am pleased to inform you that the DBA Ethics Committee has approved your application for ethical approval for your study. Details and conditions of the approval can be found below:
Committee Name: DBA Ethics Committee

Title of Study: Shared services 2.0: Customer centricity and efficiency in a multinational financial institution
Student Investigator: Joerg Zeugner
School/Institute: School of Management Approval Date: 7th of March 2017. The application was APPROVED subject to the following conditions:

1. The researchers must obtain ethical approval from a local research ethics committee if this is an international study
2. University of Liverpool approval is subject to compliance with all relevant national legislative requirements if this this is an international study.
3. All serious adverse events must be reported to the Sub-Committee within 24 hours of their occurrence, via the Research Integrity and Governance Officer (ethics@liv.ac.uk)
4. If it is proposed to make an amendment to the research, you should notify the Committee of the amendment.

This approval applies to the duration of the research. If it is proposed to extend the duration of the study as specified in the application form, the Committee should be notified.

Kind regards,

Hamed Shamma

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A.2 Appendix: Participation information and consent form

UNIVERSITY OF LIVERPOOL

Committee on Research Ethics

Participant Information Sheet Guidelines

The informed consent process requires that prospective participants are provided with as much information as possible about a research project in order that they and / or their legal guardians / advocates can make an "informed decision" about whether or not they want to take part in the project.

Information sheets, normally provided in written format but can also be spoken, are an important part of the informed consent process. With this in mind, this document has been produced to act as guidance for staff and students when designing their information sheets. If you have any questions about this document please contact the Research Governance Officer on 0151 794 8290 or at ethics@liverpool.ac.uk.

General Information

- The design of your information sheet should reflect the nature of the research study. Some information sheets may therefore need to be a little more detailed than others, or may use graphics rather than just text.

- It is important to make sure that even after the information sheet has been read and consent has been obtained, the participant has the right to ask any further questions and they should be provided with details on where to find further appropriate information on the specific research area.

- All protocols and supporting documents, including information sheets and consent forms, should state the version number and date in the header or footer. The date indicates when the documentation was finalised.

  N.B:

  - *If an amendment to a document is made, the version number and date must also be amended.*
  - *Version numbers and dates show how a document was developed, help to identify earlier versions if required and act as an aid to monitoring and audit.*
  - *Failure to include them will slow up the approval process as they will be sent back to the researcher for amendment.*

- It is essential that any logos, project titles, version numbers, dates, contact details, etc are consistent across documents.

- The first page of the information sheet (and all corresponding documents) should have the University Crest (found at https://www.liv.ac.uk/intranet/identity/) at the top in the centre.

- You may need to make provision for participants who are not fluent in the language used in the information sheet and should consider how to deal with problems such as illiteracy. For example, you may choose to have an interpreter / translator to hand for participants who may not be fluent in the language used.

- **Studies involving children / vulnerable adults**: you may need to consider producing an alternative version of the information sheet which is more accessible and which can be discussed with the legal guardian (e.g. parent, caregiver etc.). This alternative version should however conform to the same purpose as other information sheets in that its aim is to provide enough information and in appropriate detail so that informed consent can be obtained.

Recommended sections to include in your Information sheet

1. **Title of Study**

   Shared services 2.0: Customer centricity and efficiency in a multinational financial institution

2. **Version Number and Date**

   Version 1.0, November 4th, 2016

3. **Invitation**

   You are being invited to participate in this research project about our shared services. The reason for receiving this invitation is either you are a customer of the shared services you would be managing service level agreements, key performance indicators of the service delivery, daily routine of service delivery, and any escalation required as well as any financial matters with regards to services.
   If you are on the shared service provider side you are a manager of the shared service team or you are substitute of a manager.
   Before you decide whether to participate, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and feel free to ask me if you would like more information or if there is anything that you do not understand. Please also feel free to discuss this with your friends, relatives and manager if you wish. We would like to stress that you do not have to accept this invitation and should only agree to take part if you want to.

4. **What is the purpose of the research project?**

   The research project aims to enhance our current level of shared services (HR, IT, and FM). Given the informal feedback from customers there is a need to improve our shared services. Hence, firstly we aim to understand by collecting wide and valid data from customers if and what kind of deficiencies are there. Based on that, solutions need to be developed and implemented. Besides this customer centric approach, there are also the fact that our shared services seem not state of the art with regards to digitalization.

   Hence, within the next couple of months we would like to understand in details about the problems. Based on those, we will propose solutions and implement these. By mid of the year we aim to review again with customers in order to understand the performance changes. In addition, the digitalization of work processes will be enabled.

5. **Why have I been chosen to take part?**

   You are a manager or substitute and hence a key person in service delivery and execution. From each of the 3 teams 1-2 persons have been asked to join the project as key participants. Besides you there are 6-8 other key participants. You know how the services are provided and how the processes work.

   If you are on the customer side, you are managing service level agreements, key performance indicators of the service delivery, daily routine of service delivery, and any escalation required as well as any financial matters with regards to services. Hence you would have very comprehensive and deep insights into our shared services provided to you and your organization.

6. **Do I have to take part?**

As also outlined in the PARTICIPANT CONSENT FORM (version 1.0, November 2016), item 2, participation is voluntary. Participants are free to withdraw at any time without explanation and without incurring a disadvantage.

7. **What will happen if I take part?**

Your participation in the project will require your input at certain stages of the project. Primarily we will have interviews, discussions, and collection of information regarding our shared services.

Joerg Zeugner will lead the research. The research will be done as action research. That means that all participants will be actively involved in an open manner. There are feedback cycles included. Everyone's opinion and input is equally important and will add value to the project.

At different stages we will collect data for the project. We intend to start with an initial data collection of the as-is situation. While discussing and implementing solutions in an agile active way we will collect updated data. That shall help to see if the proposed solutions are effective and the project develops in the right direction.

Everyone will be engaged in their respective area of service. However, as the objective of shared service 2.0 we also aim to look beyond the current horizons of tasks/ activities. Every participant shall look from a customer centric perspective in order to evaluate current state and an improved future state.

Given the current and on-going service delivery should be affected only to a minimum, if at all, we will have only a minimum involvement required of 2-4 hours every month. The total time required over a period of 6 months is estimated at about 12-24 hours. We will inform everyone about 1-2 weeks in advance of participation required. We will also prepare as much as possible in advance in order to have efficient and effective discussions and interviews.

8. **Expenses and / or payments**

n/a

9. **Are there any risks in taking part?**

There are no disadvantages or risks involved. In case you should experience any discomfort or disadvantage as part of the research that this should be made known to the researcher immediately.

10. **Are there any benefits in taking part?**

There are a few benefits in taking part in the project. At first, the whole project will focus on our shared services and customer orientation. Everyone will develop individual skills and capabilities further. In addition, the solutions to be developed will have customer focus and engagement. As a result every project member will learn more about customer experience and how a customer ought to be addressed. This will help do deal with daily problem more effectively and efficiently.

Given the research project also intends to enhance the teamwork among the shared services, the collaboration and team spirit ought to improve. Finally shared service 2.0 shall be delivered with a higher motivation and engagement for everyone.

11. What if I am unhappy or if there is a problem?

If you are unhappy, or if there is a problem, please feel free to let us know by contacting Joerg Zeugner and we will try to help. If you remain unhappy or have a complaint which you feel you cannot come to us with then you should contact the Research Governance Officer at ethics@liv.ac.uk. When contacting the Research Governance Officer, please provide details of the name or description of the study (so that it can be identified), the researcher(s) involved, and the details of the complaint you wish to make.

12. Will my participation be kept confidential?

Your participation will be kept confidential. No names will be recorded or collected as part of the research. All information will be collected and recorded in an anonymous way. Data will only include factual information.

We will use information gathered in our conversations, meetings, and workshops. Besides that we may use secondary information from other sources, e.g. anonym customer feedback.

Information will be kept securely on SharePoint. The access is only granted for the researcher. Information will be kept only for the period of the research.

13. What will happen to the results of the study?

The results will be made available to the project participants, University of Liverpool, and my organisation. In addition, certain results, which deem important as well as relevant for customer, ought to be shared with customers.

In any case, participants will not be identifiable from the results or any other related document of the study.

14. What will happen if I want to stop taking part?

As participant you can withdraw at any time, without explanation. Results up to the period of withdrawal may be used, if you are happy for this to be done. Otherwise you may request that results to be destroyed and no further use is made of them.
If results are anonymised, such results may only be withdrawn prior to anonymization.

15. Who can I contact if I have further questions?

You can contact the following Lead Investigator:

Name: Joerg Zeugner

Address:
21 Lorong 3 Toa Payoh
05-06 Trevista
319581 Singapore

Email: Joerg.Zeugner@gmail.com

Phone: +65 8656 9286

A.3 Appendix: Approval from organisation

[redacted]

Singapore Branch

[redacted]

To University of Liverpool

From [redacted]
Department Singapore Branch

Phone +65 [redacted]
Fax +65 [redacted]

Date 21.09.15

Dear Sir or Madam,

Hereby we confirm that our employee Joerg Zeugner has our full support on his research project within our Singapore Branch. As Head of Services Department he has authority within his area of responsibility to engage with his teams and to obtain information to support his research.

Yours sincerely,

[redacted]

Head of Branch

[redacted]

[redacted]

A.4 Appendix: Content Service Level Agreement

In the following the content of the service level agreements will be outlined.

- Quantifying the maximum number of queries to be handled by SP within IT and Facilities Management
- Clarifying the type of queries SP handles
- Agreements on the relevant fixed/variable costs for the services
- Quantifying expected target cost savings
- Agreements on the time taken to handle each query
- Establishing the chain of command and establishing responsibilities of each individual unit

Conditions of service availability
- Time taken to respond to a query
- Time taken for emergency queries
- Time taken to resolve to queries once communication has commenced (intra-queries)
- Time taken for downtime recovery
- Channels through which queries may be passed down

Service standards, such as the timeframes within which services will be provided

- Maximum and mean time taken to respond to queries/ emergency/ resolution/ downtown recovery
- The percentage of queries that cannot exceed the maximum times (e.g. 5%)

Responsibilities of both parties

- Compliance to service standards
- Service agreements in compliance with global Group company standards
- Third party suppliers for certain activities as part of the service provision
- Key responsibilities of each party, e.g. providing the services, receiving the services, remuneration of the services

Cost vs. service trade-offs

- Identifying the spectrum of services that SP can reasonably provide and clearly identify services that might not be feasible for SP to provide as a result of for instance cost disadvantages or other reasons

Escalation procedures

- Outlining how emergency queries would be handled
- Dealing with disagreements between personnel in charge of SP and customers
- The responsible managers or higher level responsible for approving budgets
- Communication flow if a query can only be handled by a specific SP location
- Identifying the process in the case of a breach of fiduciary duty of SP

How service effectiveness will be tracked

- Periodic consolidation of service delivery
- pre-agreed KPIs

Reporting of information about service effectiveness

- KPIs that will be applied
- Target values for these KPIs
- Analysis of time-trend for the KPIs
- Peer analysis with other customers
- Methodology of data collection
- Frequency of data collection
- Reporting standards of KPIs

Review and revision of the agreement

- Process and frequency of review and revision of SLA

A.5 Appendix: End-user survey

Net Promoter® Score (NPS) Template

* 1. How likely is it that you would recommend this company to a friend or colleague?

NOT AT ALL LIKELY — EXTREMELY LIKELY

0	1	2	3	4	5	6	7	8	9	10

A.6 Appendix: Meeting minutes

Minutes of Meeting **AIA**

Title of Meeting:	**Facility Management – OE meeting**
Date/ place of Meeting:	**22nd April 2017, 2pm – 3pm (SIN time) – Asia Square – L15 – Asia Board Room**
Participants:	Sahlan, Mo (MOS) OON, Alex (AiA Singapore) Wong, Ann (ACP) Ting, Ang (AiA SG) Lee, Corinna (AIL SG) Hsu, San (AiA SE) Lim, Christina (AoN SE) Ho, Dine (AoS SE) Marsuni, Ang (GCS) Bruce, Lee (MOS) Khosla, Pam (MOS) Zeugner, Joerg (MOS) Ng, Ane (Ers) Loue, Ong (Ers)
Absent:	TAY, Tom (Assistance AP) Mohd, Ha (Automotive) Tiu, Wen (AiA Singapore) Ong, Ang (ZAP) Loh, Her (ZAM) Chia, Line (IAI) Sng, Anna (PUC) Tan, Rose (AIAS)
Minutes taken by:	MOS and Ers

Status: A = action with deadline, D = Decision, R = recommendation, I = information

Key topics Discussed	Status	Dates, person responsible
1 Decisions made		
• Process to host and conduct VC clarified between OEs and FM team (kindly see the attached slides)	D	
• Clarity on communication between OEs and FM related to personal mail delivery (kindly see the attached slides)	D	
• Clarity on communication between OEs and FM related to ATC events (kindly see the attached slides)	D	
• Decision taken by all Reps present on the future meeting schedule. • To have a monthly 1 on 1 meeting with OE Reps to discuss monthly report and any other issue or concerns. On a quarterly basis with all the Reps together.	D	

• Decision taken on communication between OEs and FM team
  • If there is any communication related to travel, FM will inform the travel managers and they will cascade to their team
  • If there is any communication related to BCM or any other emergency, then FM to communicate to all staff
	D	

• The new incentive program of MOSTAR supported by OE Reps (kindly see the attached slides)	D	

A.7 Appendix: Follow-up from meeting

From: "Iani, Ana (MoS)"
Subject: CRES Quarterly Review - Mar'17
Date: 21 March 2017 at 12:23:00 pm GMT+8
To: "Lim, Sim (AiA)"
Cc: "Zeugner, Joerg (MoS)" <JOERG.ZEUGNER@MoS.com>

Hello Sim,
Hope this email finds you well. It was as usual a pleasure to have a meeting with you and receive a constructive feedback on our services. Appended herewith are the minutes of our meeting for your reference. I have also attached the internal directory for your reference.
We will work on the topics that were discussed and share the progress in due course of time.
Thank you for your ongoing support & we hope to have a continuous engagement going forward as well.
Regards,
Iani Ana
Team Leader – CRES
MOS Singapore Branch | 12 Square #14-01 Tower | 123900, Singapore

Meeting Title:	**AIA / MOS - Quarterly Review Meeting**				
Date:	**17/4/2017**				
Time:	**3:30 pm**				
Attendees:	Mr Lim				
	Ms Tan				
Agenda	Review of monthly CRES & FM performance, seek feedback and address specific issues.				
2. Actions Arising from current meeting					
	Topic	**Summary**	**Response/Actionable**	**Assigned**	**Deadline**
1	Access Pass Management	Shared the report on Access Pass for April'17	We will continue to maintain the report & share it on a monthly basis. - Add a column to segregate Visitor Pass & Permenant pass - Standard descriptions to be used (specifically for Banca) * Feedback received regarding tail-gating, and CRES will include it in the House Rule Book	Lim/Ani	Monthly
2	Insurance	Discussed the possibility of including AIA for WIC & Office Insurance	To be confirmed by AIA	Karen	24/4/17
3	CFM Requests	Discussed the overall details of requests for the month	Snapshot for the month up to date in the next sheet	Lim	Completed
4	Shredder Process	Discussed about the exact process for daily disposal of papers.	We will share the detailed process with timelines	Lim	24/4/17
5	C & P	The legal amendments for C & P are still pending.	We have had a meeting with C & P to discuss the legal inclusions. However the amendments in the contract are still under review by C&P. We will closely follow up & confirm - Check on NDA (Non-Disclosure Agreement) - To be separate aside from the contract	Lim	24/4/17
6	C & P Document storage vendor pricing	Analysis done by AIA reflecting the amount of business for the Vendor	Karen to share the data & we will review it with the vendor for the pricing	Lim	24/4/17
7	Health & Safety Insurance	Health & Safety Insurance is a separate insurance aside from WIC. It is advisable for an organization to have one, however may not be mandatory as per MOM	We shall check for the requiements & quote from GIM and understand the interest from other OE's as well	Lim	30/4/17

A.8 Appendix: Report sample

AGCS	
Total participation	35
Average NPS	-50
User for both IT and FM	10
only FM	1
IT	24

ITSS- Satisfactory	
Technical skills	**Softer skills**
Resolving of IT issues for visitor	Always very responsive, service providers are patient and friendly and always trying their best despite resource challenges
Password reset	
Fast upload and download to remote storage	
General IT enquires	
Setting up my Good for Enterprise	

ITSS- Unsatisfactory	
Technical skills	**Softer skills**
System performance did not improve	Too long to solve queries
BB and laptop	Issue was not solve however ticket was closed
We need Wi-Fi in the whole office!	Did not provide alternative to problems
Creation of new email address	IT SS not always client focused enough, billing process
Narrow bandwidth for internet and server access due to current limitations and IT team unable to do anything.	
IT services not to highest standards. Especially problematic when clients are visiting	
Remote computer access to use a critcal software program that supports underwriting	

FM- Satisfactory	
Technical skills	**Softer skills**
	Have improved since Anupam onboard

A.9 Appendix: Sample feedback from end-users on SLA

RE: Dashboard report 11-22 April

Details

To: Loue, Jacky (Singapore Extern), Cc: Ng, Elaine, Khosla, Anupam ( )

Thanks, Jacky.

As spoken, please

a) Ensure that all requests raised by customers (e.g. via email, via call) are really recorded. As mentioned, there are already 2 requests from me which are not part of the list.
b) For the next week's report please combine "new" and "in progress" as for the service resolution it only matters that the ticket is resolved based on SLA, regardless the ticket is open new or already for 2 days.
c) Ensure that the right PIC is chosen for each ticket. Remove all not relevant PICs and add new PICs.
d) Please ensure that requests from customers are responded as per SLA and also resolved as per SLA. As we spoke, one person should focus on maintaining the mailbox, opening tickets, replying to customers as per agreed (to include in the email response the ticket number and put the PIC in Cc in the email response to the customer). Other less time-critical tasks can be done after the reply to customers (e.g. place an order for coffee beans can be done one hour later or two hours later).
e) As reminder, please also attach to the ticket a solution so that you can use the system as knowledge repository. I would like to see this also in the report then every week.

Thanks and regards,

Joerg

---------- Forwarded message ----------
From: "Lim, Christina (AiA SE)" < >
To: "Zeugner, Joerg (AiA Technology)" <JOERG.ZEUGNER@aia.com>
Cc: "Jupiter, Jan (AiA SE)" < "Tan, Geraldine (AiA SE)" <geraldine.ho@AiA.com>
Bcc:
Date: Mon, 8 May 2017 04:40:29 +0000
Subject: RE: Minutes - FM services workshop

Dear Joerg,

First and foremost, thank you for the invitation to the FM services workshop which was helpful and we had good exchange then.

As requested, please find our comments below:
SLA Listing:

1. Cleaning services – quarterly cleaning to be done should include the table/chair legs

(16) Reception Management – Priority level to move up to Level 1 from 2 (strongly supported by Jan)
Reason: Branding : being the first contact point for Allianz with the outside world, the turnaround or response time should be within 30 mins.

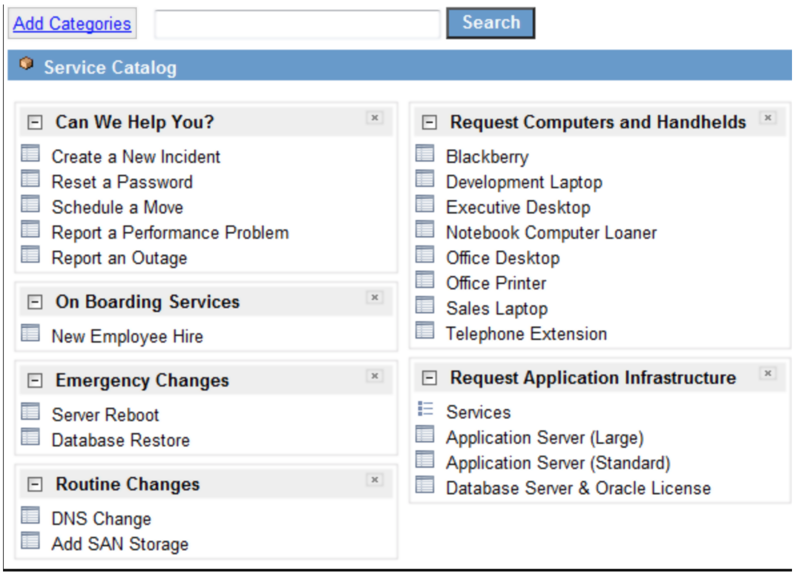
Also, AiA is supportive to the simplification charging initiative.
Nonetheless, we look forward to receiving the key details to the proposed change of allocation.

Looking forward to a more intensified co-operation with you and team.

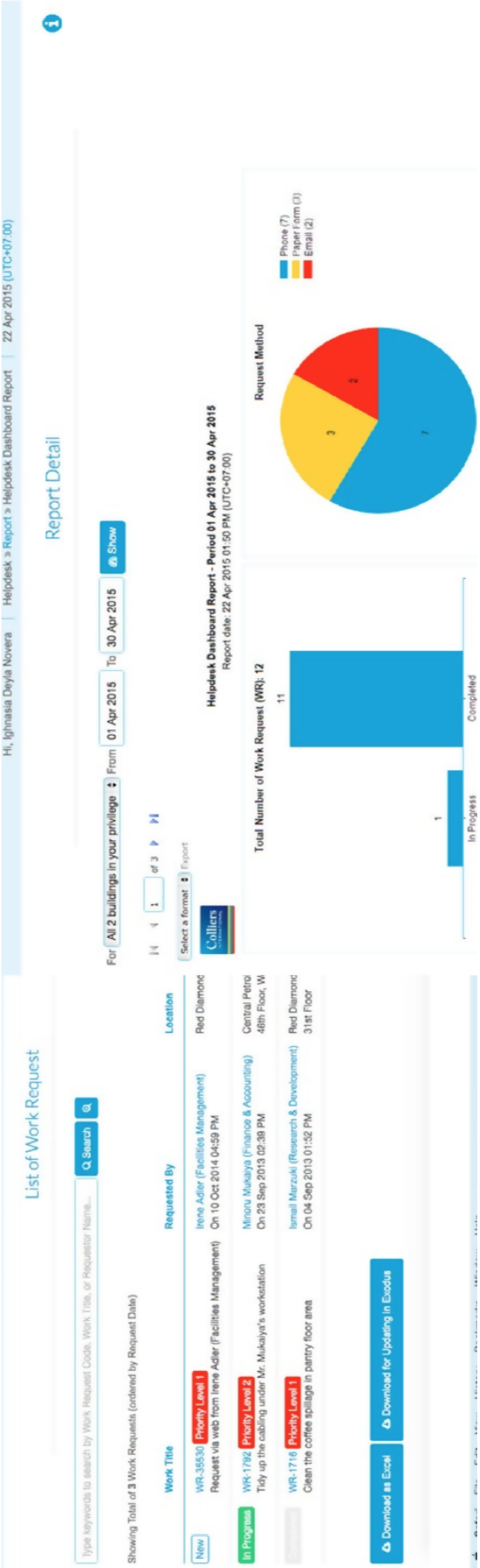
Kind regards,
Christina

A.10 Appendix: System images

IT:



FM:



Hi, Ighnasia Deyla Novera | Helpdesk » Report » Helpdesk Dashboard Report | 22 Apr 2015 (UTC+07:00)
Report Detail
For All 2 buildings in your privilege From 01 Apr 2015 To 30 Apr 2015 Show
Helpdesk Dashboard Report - Period 01 Apr 2015 to 30 Apr 2015
Report date: 22 Apr 2015 01:50 PM (UTC+07:00)
Total Number of Work Request (WR): 12
11
1
In Progress
Completed
Request Method
Phone (7)
Paper Form (3)
Email (2)
List of Work Request
Showing Total of 3 Work Requests (ordered by Request Date)
Work Title
Requested By
Location
New
WR-35530 Priority Level 1
Request via web from Irene Adler (Facilities Management)
Irene Adler (Facilities Management)
On 10 Oct 2014 04:59 PM
In Progress
WR-1792 Priority Level 2
Tidy up the cabling under Mr. Mukaiya's workstation
Minoru Mukaiya (Finance & Accounting)
On 23 Sep 2013 02:39 PM
WR-1716 Priority Level 1
Clean the coffee spillage in pantry floor area
Ismail Marzuki (Research & Development)
On 04 Sep 2013 01:52 PM
31st Floor
Download as Excel
Download for Updating in Exodus

A.11 Appendix: Sample communication plan

		Month	Jan				Feb				Mar				Apr				May				Jun				Jul				Aug		
Upgrade	**Work Stream**	**Deliverables** Week	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31
	Communication	First Newsletter sent to customers (incl. upcoming initiatives like travel, service now, avc migration and SLA explanations)														x																	
	Communication	Second Newsletter																					x										
	Communication	Third newsletter (incl. second quarter performance)																										x					
		IT/FM hotline desk stickers													x																		
First	Service Desk	Help desk go live													x																		
		collect and record IT issues/ cases with provider today					x	x	x																								
Second	Procurement	New travel booking process with Concur (May)																															
		collect data/ process from customers					x	x																									
		workshops with customers															x	x															
		to-be process for travel																x															
		implementation of process																	x	x	x												
		go-live for provider only of new travel process																				x											
		testing period within provider																					x	x	x	x	x						
		feedback for customers/ adjustments																										x	x				
		preparation for other customers																										x	x	x	x		
		go-live for other customers																														x	
Third	Service Desk	Service Now part 1 (Jul)																															
		Workshop process analysis																x															
		requirement definition													x	x	x																
		Mid-year customer survey (Aug)																															
Fourth	Service Desk	Service Now part 2 : app (Oct)																															

A.12 Appendix: Caricature

A.13 Appendix: Rewards programme

MOStar (April – June 2017)

MOStar is a rewards program targeted at recognizing staff for going an extra mile to bring that extra smile. Hence, we would like to invite you to cast a vote for the service staff that had provided exemplary service to you.

Here's the list of MOS service staff:

IT

Aida

Damien

David

Lim

Meng

Lee

Choo

Lou

FM

Jacky

Saadiah

Salbiah

Eesham

A.14 Appendix: SLA reporting

July 2017

Managed Operations Singapore Updates

Communication with our customer is key to us.

SLA Reporting Q2 2017

What is SLA (Service Level Agreement)?

SLA is a contract between MOS and each OE that states the level of service that we should provide to our users. Below states the most commonly received requests from users in the 2nd quarter of 2017 (Apr – Jun 2017):

SLA targets

Target for IT team	Target for FM team
Resolves account password reset/unlock: mos.BIZ and SGDOM - **within 1 hour** GIAM (for AVC) – **within 2 hours** BENSL – **within same business day**	Follow cleaning schedule (of each OE) No obvious dirt on floor No dust and stain on table
Fulfil any new access/permission required – **by next business day** e.g. for a specific shared folder	Meeting rooms are prepared – **every morning** ATC services – **according to ATC booking forms as agreed with customers**
Good ~~For~~ Enterprise PIN – **by next business day** RSA Token reset – **by next business day**	Issue new access cards for office doors – **within 5 working days** Reprogram/deactivate existing cards – **within 3 working days**

We hope that through this communication, you can understand workplace services team better, as we strive to provide prompt and reliable service for you. For your information, below are the hotline and email addresses for IT/FM services:

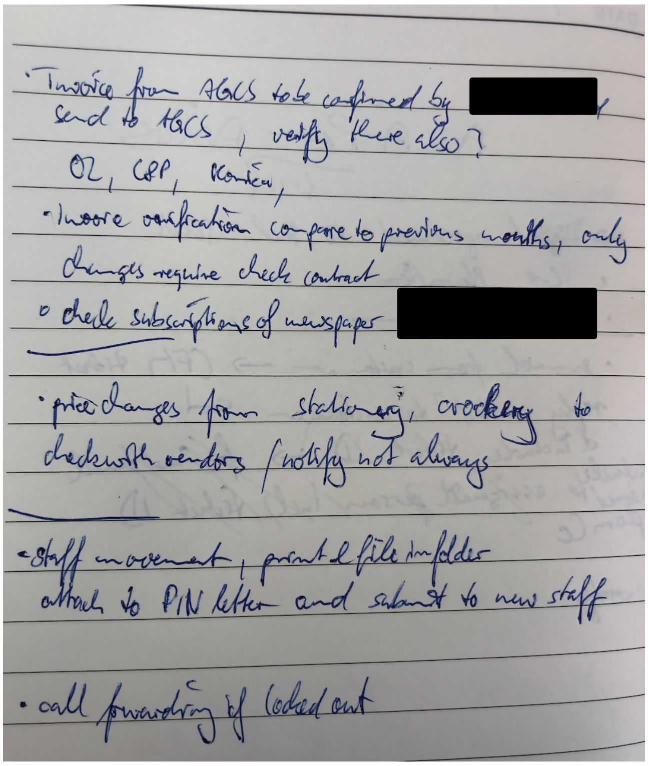
Workplace Services (IT/FM) hotline: **6191 5899 (Mon-Fri, 8am – 6.30pm)**

IT Services email address: it-support.sg@MOS.com

A.15 Appendix: Meeting schedule

Quarterly meetings	January	Feb	March	April	May	June
AZAP			10th			17th
AGCS			9th			15th
ARAP			9th			16th
AWP			11th			?
GA			13th			16th
EH			24th			?
AIMS			12th			9th
AGI			12th			9th
ARE			11th			8th
ACP			23rd			27th

A.16 Appendix: Sample field notes 1



· Invoice from AGCS to be confirmed by [redacted],
send to AGCS, verify there also?
O2, CBP, Konica,

· Invoice confirmation compare to previous months, only
changes require check contract

◦ check subscriptions of newspaper [redacted]

· price changes from stationery, crockery to
check with vendors / notify not always

· staff movement, print & file in folder
attach to PIN letter and submit to new staff

· call forwarding if locked out

A.17 Appendix: Sample field notes 2

- discussion on user complain for email setup

[redacted] had challenge to understand the reason why user complained

- asking questions helped to find root cause of complain
- practical example make it easier for [redacted] team members to think from user perspective