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### Inside outsourcing: A grounded theory of relationship formation within a nascent service system

Lisa Dell Kreeger

*Antioch University - PhD Program in Leadership and Change*

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Running head: RELATIONSHIP FORMATION

Inside Outsourcing:

A Grounded Theory of Relationship Formation Within a Nascent Service System

Lisa Dell Kreeger

Antioch University

A DISSERTATION

Submitted to the Ph.D. in Leadership & Change Program

of Antioch University

in partial fulfillment

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This is to certify that the dissertation entitled

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WITHIN A NASCENT SERVICE SYSTEM

Prepared by

Lisa Dell Kreeger

is approved in partial fulfillment of the requirements for the degree of Doctor of  
Philosophy in Leadership and Change

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Dedicated to the participants in the study with gratitude for their unVeilings

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The end of the page is like the music that signals the time to exit the stage for others .....

ABSTRACT

The theory of relationship formation developed in this study tells a coherent story about the relational work of service initiation in technology outsourcing. The study is focused on the contractually defined period of time at the beginning of outsourcing service delivery. As with a play-within-a-play, this work goes on primarily behind the scenes, away from the concurrent task of launching the inter-firm relationship between the client and the provider that will extend for the term of the full contract.

This grounded theory study was completed over an eight-month period. The findings are grounded in interviews with 25 individuals who were actively involved in the work of service initiation. Additionally, data sources included extensive observation and access to documents and other artifacts. Data analysis was completed with the analytic processes of dimensional and situational analysis.

The situational analysis describes five continuously shifting aspects of the situation that create the context, or supporting structure, for relationship formation. The dimensional analysis builds from the situational analysis to describe four deeply interrelated dimensions: (1) Helping, (2) Veiling / unVeiling, (3) Having Expectation, and (4) Responding to Turbulence. The study then presents a conceptual model of a grounded theory of relationship. It is through the enactment of this total model that relationship formation can be recognized as a vehicle for accomplishing work.

An understanding that relationship formation depends on a *way* of recognizing and honoring the power of relationships and the role they play in supporting the everyday tasks of service initiation emerged from this work. As a result, this study does not strive to define

relationship as “one thing” or even a group of things. Instead, it proposes a conceptual model through which relationships are formed and can be recognized as such.



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## CHAPTER ONE: INTRODUCTION

Business firms are increasingly reaching outside their organizational and industry boundaries as a means to quickly build competencies, devise strategies, and go to market (2004; Vargo & Lusch, 2004). This direction in firm behavior has contributed to rapid economic growth in the service sector, accounting for more than 80 percent of the United States GDP ("The impact of academic research on industrial performance," 2003) and significant growth in the employment market. The U.S. Bureau of Labor statistics (2005-2006) reports that service-providing industries are projected to account for the majority of job growth, generating almost 19 million new jobs between 2004 and 2014 and representing growth to 70% of the labor force. Additionally, growth in the service sector fuels expansion of the information technology (IT) industry. Service sector firms spend 80 percent of the \$2.1 trillion dollars spent worldwide, each year, on IT (Karmarkar & Apte, 2004).

Service has been defined as a system of transformative relationships with the purpose of producing value (Gadrey, 2002; Maglio, Srinivasan, Kreulen, & Spohrer, 2006). Maglio, et al, define a service system as "a value coproduction configuration of people, technology, other internal and external service systems, and shared information" (Maglio, Srinivasan, Kreulen, & Spohrer, 2006: p. 81). Service systems have internal (intraentity) and external (interentity) structures in which value is coproduced (Spohrer, Maglio, Bailey, & Gruhl, 2007). Individuals, families, firms, nations, and economies all represent instances of service systems" (Spohrer, Maglio, Bailey, & Gruhl, 2007: p. 72) and the complexity of a service system increases with the number and range of involved people, technologies, and organizations (Maglio et al., 2006). With that complexity in mind, this study focused on the service system of a firm providing information technology outsourcing services.

Outsourcing is a particular type of service relationship between two or more organizations in which external agents perform one or more aspects of business or technology operations. There are conflicting assessments as to the size of the market but analysts agree that the market is expanding. Lacity and Willcocks (1998) accurately predicted that the outsourcing market would exceed \$121 billion by the year 2000. Casale (2000) reports growth in the U.S. market from about \$295 to \$340 billion among all sources of outsourcing between 1999 and 2000. IT outsourcing constitutes a broad range of capabilities that may be concurrently or separately provided on behalf of a client. Outsourcing service arrangements exist on a continuum from the production of fully automated or mechanized transactional or batch processes to strategic direction, first-of-a-kind invention and innovation.

The IT service provider in this study is a complex service system. Multiple divisions within the organization are harnessed to deliver on contractual commitments made to an external client. The divisions, and departments within those divisions, take actions and perform for each other—many without external client contact—to deliver service. Thus, there is a nesting of service systems that builds within the organization as the service provider co-produces value internally in a chain that, ultimately, links to the client.

This study is temporally bounded to a particular time frame often neglected in the empirical literature: the first months of new service initiation. In this time frame a group of people, technologies, and subdivisions are assembled from various non- or loosely connected parts of the firm to initiate service. I call this period nascency: The service system is coming into existence and beginning to develop. The nascent period represents the birth of a service system.

This is a study of relational structures as they form and are socially constructed within a nascent service system. It is sited within a large technology service provider and is temporally

focused on the first months of service delivery within a new interorganizational relationship. The situational analysis untangles the contextual energies to inform a grounded theory that dimensionalizes relationship as a vehicle for accomplishing work.

### Outsourcing Relationships

Outsourcing service providers must deliver apparently seamless service to the external client from day one while concurrently forming relationships within their own internal service structures. Individuals charged with forming outsourcing relationships are thrust into situations with colleagues (intra-organizational) that bridge hierarchical boundaries, are geographically distributed, and pose high professional and monetary risks. These actors represent their own interests as well as those of their organizational hierarchies and matrices. Their informal and formal motivations can be different and are often contradictory. However, they must cooperate and collaborate. This is reminiscent of Star and Griesemer's (1989) study of a diverse group of actors conducting scientific work in a museum of zoology. Museum workers were described as inhabiting different social worlds containing their own interests and goals in addition to the broader programmatic goals of the museum. The concept of boundary objects was introduced to describe intersections where social worlds meet around a common concern to form a common identity (Clarke, 1991; Star & Griesemer, 1989).

Prior research on technology outsourcing relationships, and on interfirm relationships in general, includes a great deal of information about contracting behaviors, economic optimizing factors, and organizational characteristics. Each organization is conceptualized as a single unit. Very little research attention has been focused on the work that occurs within and between individuals in an outsourcing relationship (Koh, Ang, & Straub, 2004; M.C. Lacity & Willcocks,



2000). There are also empirical studies published about why and how organizations choose to outsource (John Cross, 1995; Mary Cecelia Lacity & Rudy A. Hirscheim, 1993; Mary Cecelia Lacity & Willcocks, 1998; McFarlan & Nolan, 1995), but few about how those relationships form within the organizations once the contracts are signed. Research from the perspective of the service provider is even more rare (Levina & Ross, 2003).

### Purpose of the Study

This is a study of relational structures as they form and are socially constructed within a nascent service system. It is sited within a large technology service provider and is temporally focused on the first months of service delivery within a new interorganizational relationship. The situational analysis untangles the contextual energies to inform a grounded theory that dimensionalizes relationship as a vehicle for accomplishing work. The study has scholarly and pragmatic benefits. It addresses a gap in the empirical literature about outsourcing relationships by focusing on the experience of the service provider. Additionally, a better understanding of the dimensions of relationship formation in technology outsourcing services, grounded in the experience of the service provider, may guide the decisions made by technology service delivery organizations to more effectively attain business objectives. The study may also shed light on differentiating processes, technologies, and behaviors that are a part of a complex service system.

The remaining sections of this chapter further situate the research question, concisely state the specific overarching research questions held by the author at the initiation of the study, and explore the position of the researcher in relation to this topic and question. Chapter Two contains a more in-depth discussion of the literature pertaining to the proposed research. Chapter Three provides an overview of dimensional and situational analysis, describes the unique

challenges and qualifications of the researcher, and elaborates on the methodological path of the study. Chapter Four presents the findings of the situational and dimensional analyses drawn from interviews, observations, and artifacts. Chapter Five brings the findings of the study together as a grounded theory for relationship formation that is presented as a conceptual model.

### Situating the Research Question

This study addresses two areas of omission in the research on outsourcing services. It gives voice to the service provider and recognizes the work of relationship formation. Grounding the study in the experience of the service provider does not lessen the omnipresence of the client. Gadrey (2002) describes the service relations and interactions between a service provider and customer as two legs of a conceptual triangle: The customer is *always* present for the service organization even if knocked off the usual centered position. This study is premised by the understanding that the relationship formation occurring within the service delivery organization is not the only relationship formation happening in the broader interorganizational service system. This study is an empirical building block toward a more holistic understanding of the very complex arena of intra and interorganizational relationships within service systems.

The idea for this study initially grew out of my consulting work with technology outsourcing service providers from 2001 through 2005. Corporate investments of both time and money were focused on managing the business relationships between the customer and the service provider. The voice of the customer was amplified by business processes geared to understand customer satisfaction and the experience of receiving service. Business practices mirrored the research literature; the customer's voice was given primacy. This primacy privileges the experience of the client by providing a limiting lens through which to view the situation. This research adds

balance to the understanding of outsourcing relationships by providing deeper insight into a situation of service delivery.

Technology outsourcing delivery is managed by very strict terms called service level agreements (SLAs). When the service delivery organization fails to meet the SLA, there is a financial penalty, and financial penalties can quickly erode the narrow financial profit margins that are typical in these types of business arrangements. It is typical to have dozens of individuals coordinating service delivery. These individuals hold the primary customer-facing role; however, they represent much larger groups. For example, telephone call centers are commonly outsourced. The customer-facing group is responsible for the SLA, but the twenty-four-hour-a-day / seven-days-per-week service is held by an anonymous individual who is located in another city or, more frequently, in another country. These individuals are not structurally linked by hierarchy within the organization so their individual performance measures and compensation structures are not related. The work required to create relationships among the various constituents of the outsourcing provider is significant, there is considerable complexity, and there is no clear picture of everything that resides within the arena of the service delivery organization. This gap in knowledge created the path to this study.

The notion of “relationship” is intangible and can be uncomfortable for businesspeople to consider because it resides in people and social interaction. Executives say, “I don’t have to talk about this relationship stuff. I’m great at getting along with people.” The focus is on managing the relationship rather than understanding the relationship. Relationship work lands in the realm of “soft skills,” therefore not worthy of the attention of *real* business. The work of relationship formation is made invisible by this dominant perspective and mirrored by the silence in the literature. This is reminiscent of the disappearing of relational skills described by Fletcher (1999)

in her study of female engineers: “The discourse suggests that there is a dynamic process involved in which relationship practice “gets disappeared” as work and gets constructed as something other than work” (Fletcher, 1999, p. 103).

This study unveils the relational dimensions of a nascent service system, as experienced by the participants, within the complex arena of interorganizational structures and discourse. The focus of corporate organizations is on financial bottom-line results, but there has been little interest in what processes and experiences of the participants may be relevant to those same business outcomes. Similarly, the existing research has also focused on the outcome or management aspects of the relationships. This focus fails to generate a more complex understanding of the context and interactions that construct the meaning of the relationship. A constructionist methodology creates an opportunity to construct and reconstruct the multiple and complex components of a social phenomenon and to identify not only the parts of the whole but the “meanings of interactions observed in situations” (Kools, McCarthy, Durham, & Robrecht, 1996, p. 316).

#### Research Methodology: Dimensional and Situational Analysis

This study employed dimensional analysis (Caron & Bowers, 2000; Schatzman, 1991; Schatzman & Strauss, 1973) and situational analysis (Clarke, 2005) to develop theoretical matrices of relational structures as they form and are socially constructed within a nascent service system. It is sited within a large technology service provider and grounded in the experiences of the individuals who work within the service system. The focus is neither at the organization-to-organization level or on the individual employee, but rather on the multifaceted situation that is made up of many people, organizational processes, technologies and tools,

history, contractual mandates, and other dimensions that will emerge through the course of the study. Dimensional and situational analysis are constructionist approaches to theory generation (Bowers, 1988; Caron & Bowers, 2000; Charmaz, 2003; Clarke, 2005; Glaser & Strauss, 1967; Kools, McCarthy, Durham, & Robrecht, 1996; Schatzman, 1991; Schatzman & Strauss, 1973; Strauss & Corbin, 1998). The constructionist seeks to explain how ideas, practices, relations, and conceptions are understood by social actors in specific circumstances or situations (Schwandt, 2001, p.31). The social arena itself is the unit of study rather than the individual, the organization, or the relationships between individuals and organizations (Clarke, 1991, 2005).

This study is the first to conduct dimensional and situational analyses of business relationships but does not represent a precedent in services: Dimensional and situational analyses have been applied in nursing studies (Bone, 2002; Caron & Bowers, 2000; Kools et al., 1996) and psychology (Benson & Holloway, 2005). However, this study is the first dimensional and situational analysis set in the arena of technology services that heavily focuses on the role of technology in the analysis. Technology outsourcing service delivery is continuously shaping and being shaped by developments in science and technology. The presence of machine technology transforms the patterns of communication and adds variation, complexity, and unpredictability to relationship formation activities in these social arenas (Clarke, 1991; Suchman, 1987). “It is not clear who makes and who is made in the relation between human and machine” (Haraway, 1991, p. 177). This study addresses what has been identified as “a situation of disattention to human-computer interaction as situated activity and to take the idea seriously as an interaction” (Suchman, 1993, p. 73).

*Overarching Research Questions*

Two research questions were posed by the researcher before beginning of data collection:

RQ1: What is occurring during the formation of a technology outsourcing relationship in the context of a heavily-matrixed<sup>2</sup>, multi-layer, and multi-site situational field of the service provider?

RQ2: What are the dimensions of a situational analysis for relationship formation in technology outsourcing services that is grounded in the experience of the service provider?

*Positioning: On My Unique Qualifications and Challenges as the Researcher*

I have been granted access as a researcher into what is often an insular community of service outsourcing. This access provided me an opportunity to develop a grounded theory that heavily infiltrates the elements of power, silenced voice, boundary objects, and the role of technology into dimensional and situational analyses. As a researcher, I had the opportunity to explore a research area that is seldom discussed: relationships. I can make visible work of that which is currently invisible.

This study was conducted from the location of a research division within a services organization that delivers technology outsourcing services. Harding's (1991) description of the "traitorous identity," the contradiction between social location and identity, aptly described my position as the primary researcher for this study. As an insider to the larger business domain, a critical reading of what is going on can be seen as "traitorous." More positively, with several decades in the service industry, this position will, I hope, provide a standpoint (Harding, 1991), or a situated knowledge (Haraway, 1991), that will provide a unique ability to reflect on the

experiences of those at the center and provide some new thinking that will impact the operation of the system.

I came to my appreciation of the method by way of a career progression that provided a grand tour of research stances. I was trained as a qualitative researcher in the early 1980s during my nursing education in Chicago, Illinois. We were required to study statistics and quantitative methods, but our theses were qualitative and constructionist. My baccalaureate thesis was an ethnography of nurses in the emergency room. My first professional research experience was in the mid-1980s, when I worked as a research nurse in the division of infectious disease in a major pediatric hospital. In that capacity, I became very familiar with the design and management of extremely structured pharmaceutical drug trials. These were often double-blind placebo studies. The studies were very positivistic: A “the drug does work” or “the drug does not work” dichotomy was discovered. I was primarily responsible for obtaining informed consent from the parents of enrollees in the studies and monitoring study participants throughout the trials, often for serial visits that extended over a period of years. My social scientific spirit has been kept alive by way of these interactions that provided insights into the worlds of the participating families, yielding undocumented dimensions of the drug trials. Somewhat more recently, but for the last five years during my doctoral studies, I have been privileged to study grounded theory with Dr. Elizabeth Holloway. I am deeply grateful that this academic journey and apprenticed learning has taken me back to, and beyond, my roots.

I struggle with a degree of what Gilovich (1993) calls “physics envy,” that is the sense that social science is forever assigned to the children’s table at the Thanksgiving dinner of research. This is a reasonable malady. I am a novice researcher working in a research culture that values quantitative research over constructionist research. Most work days I continue to feel the

pressure that 'doing' qualitative research is not real science. Excellent qualitative research articles are characterized as amusing little papers while the most superficial writing which contains a math formula has automatic value. Despite the steep grade of this climb, there is no choice here for me: I am only drawn to the messy complicated endlessly variable world into which constructionist inquiry invites me. Moreover, it seems particularly appropriate to study the asymmetrical relationships of outsourcing service delivery while, simultaneously, pondering the asymmetry of power between the knowledge claims made by positivist and constructionist thinkers.

This study was designed to understand relationship formation so that the longer-term outcomes of services relationships might be improved. As a practitioner-researcher and pragmatist I am interested in the practical benefits of this inquiry. Therefore, the study is interested in any generalizations that may be derived to different business relationship formation situations beyond technology outsourcing. Caution was taken not to over-generalize any findings beyond the scope of the specific design while remaining open to the larger issues that emerged.

Blumer (1969b) introduced the term "sensitizing concept" to describe emergent concepts constructed by the researcher in the early stages of social theory development that have not yet been empirically tested. Sensitizing concepts acted as initial guides in the meaning-making process (Strauss & Corbin, 1998). I moved from the sensitizing concept into the concrete specifics of the particular situation of study: "This is a matter of filling out a new situation or of picking one's way in an unknown terrain. The concept sensitizes one to this task, providing clues and suggestions" (Blumer, 1969, p. 149).

Sensitizing concepts supported my efforts to construct connections across disciplinary boundaries. The sensitizing concepts that emerged in the context of this study include situated



knowledge (Clarke, 2005; Haraway, 1991), situated action (Clarke, 2005; Suchman, 1987, 1993), the conceptualization of invisible work (Bone, 2002; Fletcher, 1999; Sinclair, 1998; Star, 1991), boundary objects (Star & Griesemer, 1989) silence and voice (Belenky, Clinchy, Goldberger, & Tarule, 1997; Gilligan, 1993; Hirschman, 1970), and dimensions of corporality and embodiment versus disembodiment at work (Aaltio, 2002; Bruni & Gherardi, 2002; Hancock & Tyler, 2000; Hofbauer, 2000; Krenn, Gstrein, Neumayr, & Grice, 2002; 2000; Yee, 2006).

### *Summary*

This study of a predominantly invisible social arena employed dimensional analysis (Caron & Bowers, 2000; Schatzman, 1991; Schatzman & Strauss, 1973) and situational analysis (Clarke, 2005) to develop theoretical matrices of relational structures as they form and are socially constructed within a nascent service system. It is sited within a large technology service provider and grounded in the experiences of the individuals who work within the service system. Star (1991) describes grounded theory as a way to listen to “patterns in the invisibles, such as silences, omissions, areas of neglect”—as a way to “study the unstudied” (p. 267).

Chapter Two of this document is a review of the literature to plot some of the major territories of narrative discourse that may be related to the situation of relationship formation in technology outsourcing. It describes the general domain of services research and the more specific arena of outsourcing services. It defines the language of interorganizational relationships and reviews the literature on outsourcing relationships and relationship formation. Chapter Three describes the method that was applied to the study. It provides an overview of the interplay between dimensional and situational analysis and describes, in detail, the specific processes that were undertaken during data collection and analysis. Chapter Four describes the results of the

study. Chapter Five introduces a conceptual model that is a grounded theory of relationship formation. Chapter Five also includes limitations of the study and implications for practice and future research.

## CHAPTER TWO: LITERATURE REVIEW

## Introduction

Published empirical research is a source of relevant literature for the study of relationship formation in technology outsourcing. The empirical literature has been explored to answer the following questions: What are the major narrative discourses related to the situation of relationship formation in technology outsourcing, particularly the experience of the service provider? Who is talking about these situations? How are they talking about them? What are they saying? Discourses speak as representatives of particular social worlds and arena and produce power by setting a context for knowledge. “A given discourse not only sets limits and restricts that which can be said about a phenomenon but also, in the positivity of power, empowers certain agents to speak and make representations, while also disempowering others from doing so” (Clarke, 2005, p. 160). This chapter plots some of the major territories of the literature related to the situation of relationship formation in technology outsourcing. It stands as a rough map into the region that articulates the researcher’s a priori knowledge of the literature prior to the initiation of data collection.

The adage that the customer is king should not apply to research design; yet, research on the experience of the service provider in an interorganizational relationship is quite rare (Levina & Ross, 2003). This gap in the literature makes invisible the work the service delivery organization undertakes to create relationship in a manner reminiscent of the disappearing of relational skills that Joyce Fletcher described in her study of female engineers (Fletcher, 1999). The existing research gives preeminence to a limiting view of all that goes on to create outsourcing service relationships. One purpose of this study is to move toward a more balanced

understanding of interorganizational relationships by giving greater attention to the work of relationship formation, specifically grounded in the perspective of the service provider.

Shifts toward a dominant services economy are driving organizations to relate to one another in different ways, and outsourcing provides a clear example of complex service relationships. This economic shift has been accompanied by increased research on business and information services. On that basis, this chapter begins by locating outsourcing relationships and the role of the services provider within the domain of services research. This is followed by sections on outsourcing relationships and outsourcing relationship formation that describe the culture of inquiry and critique the dominant research questions and methods. Additionally, this chapter includes a short review of several sensitizing concepts that are important to the researcher's perspective on the situation. These include the ideas of situated action, relational and invisible work, and boundary objects.

### Services Research

This dissertation is situated in the broader domain of services research. This section highlights the growth and paradigm shift in the services economy. It places the work of relationship formation, within a technology outsourcing provider, as a microcosm of the larger services realm based on recent services research.

Growth in the services economy is shifting the models of economics and marketing from a goods-centered model<sup>1</sup> toward a service-centered view that places greater emphasis on the value of people, knowledge, skills, and other intangible assets (Barber & Strack, 2005; Vargo & Lusch, 2004). Vargo and Lusch describe the service-centered view as focused on recognition of core competencies for competitive advantage, recognition of other entities that could benefit

from those competencies, the ability to cultivate relationships to jointly develop compelling value propositions, and the ability to analyze performance (Vargo & Lusch, 2004, p. 5).

Empirical testing has not caught up with theory in this space.

Technology outsourcing provides an example of a service relationship. The Service Triangle (Gadrey, 2002), depicted in Figure 1, is a conceptual approach to explain service as an operation and helps situate intra-organizational service exchanges as a microcosm of the larger realm. Gadrey defines service as an operation “aiming at a transformation of a reality C owned or used by a customer B, with the operation carried out by a provider A on the request of B (and often in interaction with him), but not ending in a final good likely to circulate independently from C” (Gadrey, 2002, p. 41).

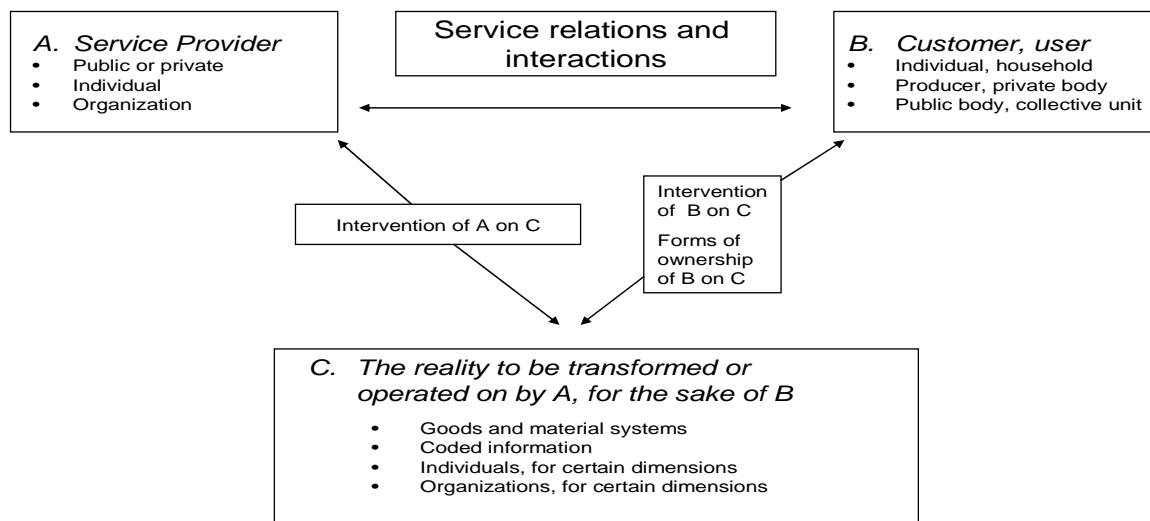


Figure 1. The service triangle (Gadrey, 2002, p. 42).

Gadrey’s model is implicitly situated in the context of an interorganizational services relationship. The present study argues that it need not be interpreted as such but may well apply

when box A (the Service Provider) is exploded into a connected and embedded service triangle. An image of this is included in Figure 2, where the service provider is seen to hold, within organizational bounds, multiple service exchanges and where the role of service-er and customer is not fixed. The various departments or groups within a service provider are in a service provider-customer relationship to one another. The relations and interactions between A and B comprise the situation studied in this dissertation. These relationships can vary in content and directionality depending on the "internal" service being delivered. Gadrey might support these imaginings. He suggests that, in the future, the main issue will be “how to go beyond a simplistic concept and correspondingly simplistic measures in order to observe, first the operational efficiency in the provision of service (recognizing complexity and intensity changes)” (Gadrey, 2004: p. 50).

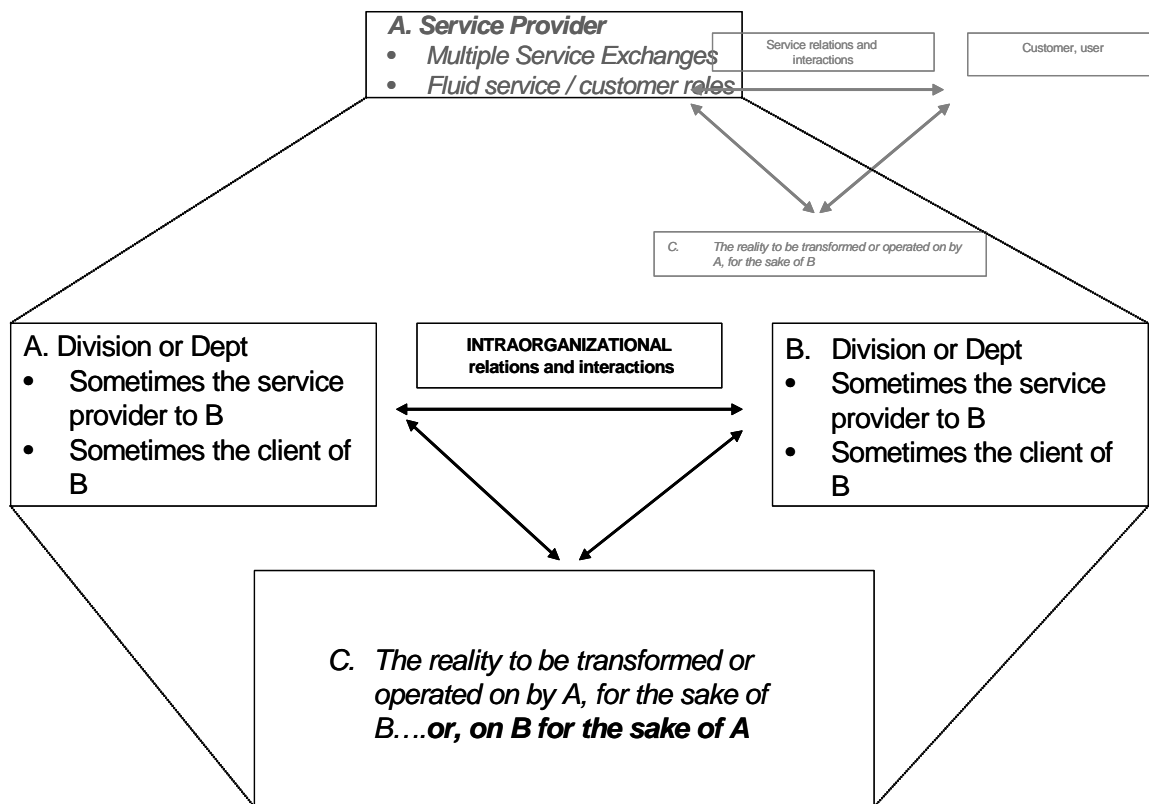


Figure 2. An imagination: The service provider as a microcosm of Gadrey's service triangle.

The next section of the chapter describes the more specific services realm of information technology outsourcing and describes, at a high level, the range of services that are part of information technology outsourcing.

### Outsourcing Services

Outsourcing is a particular type of contractual services relationship between two or more organizations in which external agents, or services providers, perform one or more aspects of business or technology operations. Technology outsourcing is a common choice in many industries and a broad range of service exchanges may be concurrently provided on a continuum from innovation and research to the delivery of fully automated or mechanized transactional or batch processes. Technology outsourcing can greatly impact the strategy and management of business operations well beyond what might be considered as within the traditional boundaries of an Information Technology (IT) department.

Technology outsourcing relationships exist on a continuum from those with little organizational integration to those with deep interorganizational integration. The following taxonomy provides the current range of outsourcing options:

- Body shop (transaction-oriented)—outsourcing to meet short-term demands. The most common type is the use of programmers/personnel to meet spikes in service needs.
- Utility computing (transaction-oriented)—a model for outsourcing of computing capability derived from utility resources. The client pulls capability as needed and is charged by usage of time.
- Project management (transaction-oriented)—outsourcing for a specific project or limited scope activity. A common type is the use of vendors to develop a new system.

- Total outsourcing (transaction-oriented or strategic)—outsourcing to a specific vendor or vendors for complete hardware and software support.
- Selective outsourcing (transaction-oriented or strategic)—outsourcing established with multiple suppliers.
- Strategic alliance sourcing (strategic)—joint venture partnerships.
- Business process / Transformational outsourcing (strategic)—the delegation of one or more IT-intensive business processes to an external provider. The most common examples are human resources, finance, and customer relationship management (CRM). Transformational outsourcing transforms the business process to better meet business objectives while simultaneously providing the service delivery of other types of outsourcing arrangements (Mary Cecelia Lacity & Willcocks, 1998; Pati & Desai, 2005; Scholl, 2002).

The desired benefits of outsourcing vary between transaction-oriented and strategic outsourcing. Reducing capital costs, improving organization efficiency, and easing skill/staff shortages are the primary reasons for transaction-oriented outsourcing decisions across industries. The top drivers of business process outsourcing (BPO) include cost reduction, the ability to focus on core business capabilities, organizational learning, and the improvement of technology-based service levels (Cross, 1995; Lacity & Hirschheim, 1993; Lacity & Willcocks, 1998).

The following section explores the studies and theoretical writing on interorganizational and outsourcing relationships. The language used in the literature to label or name interorganizational and outsourcing relationships is inconsistent. The section begins with an overview that clarifies what is meant by the term “interorganizational relationship” and continues



with a review of select studies drawn from the general discourse on interorganizational relationships specific to outsourcing relationships.

### Interorganizational Relationships

Studies of outsourcing relationship intersect with those from the more general arena of interorganizational relationships. As a result, it is important to review both domains to identify studies that provide background and context for the more specific research arena of outsourcing relationships. In summary, studies describe characteristics or determinants that should be present in a successful outsourcing relationship (Dyer & Singh, 1998; Fjermestad & Saitta, 2005; Gottschalk & Solli-Saether, 2005; Henderson, 1990; Kim & Park, 2002; Oliver, 1990) but, for the most part, do not describe what is going on, in or between organizations, to develop or attain those characteristics. Additionally, researchers do not take the service provider's point of view or describe what all is actually happening to form or sustain a relationship. This section supports the need for the present study by pointing to all that is *not* in the literature.

#### *What is Meant by the Term "Interorganizational Relationship?"*

Studies on interorganizational relationships use a variety of terms to refer to "the relationship" Some researchers use the term interorganizational relationship. Other common terms include collaboration, partnership, and alliance. The following section is a review of interorganizational relationship terms and definitions that are common in recent literature. It is included to provide clarity to what is meant in this study by the term: interorganizational relationship.

The terms “collaboration,” “collaborative relationship,” or “collaborative alliance” are most frequently used to describe a cross-sector (e.g., government to industry, academic to industry) relationship (Austin, 2000; Lawrence, Phillips, & Hardy, 1999; Mattessich, Murray-Close, & Monsey, 2001). “Collaboration is a mutually beneficial and well-defined relationship entered into by two or more organizations to achieve common goals” (Austin, 2000, p. 87). Collaboration is “a cooperative, interorganizational relationship that relies on neither market nor hierarchical mechanisms of control” (Lawrence et al., 1999, p. 481). Collaboration has been used to describe cooperation, networking, federations, transorganizations, and supraorganizations (Heath & Sias, 1999). The term collaboration is used in the management literature as a behavior or characteristic—the ability and propensity to collaborate rather than compete—rather than defining a relationship type.

The term collaboration, or the ability to behave in a collaborative manner, is identified as an important characteristic for success in the general studies of interorganizational relationships, partnerships, and alliances (Doz & Hamel, 1998; Hamel, Doz, & Prahalad, 2002; Kouzes & Posner, 2003; Kanter, 2002; Spekman & Isabella, 2000). This term forms an intersection in the literature. Two studies are included in this chapter that review collaboration behaviors (Heath & Sias, 1999; Lawrence et al., 1999).

“Partnership” is used to describe a personal or business relationship between two people or the specific parties to a relationship (e.g., alliance partner, collaboration partner) (Ayers, 2002). It is seldom used in scholarly writing to describe a particular interorganizational relationship type. However, based on my experience as a consultant in the field of interorganizational relationships, this is the term used most frequently by people to describe their interfirm relationship.

The terms “alliance“ and “strategic alliance“ are used interchangeably and are common descriptors of inter-firm relationships in business, management, and for-profit scholarly writing. Alliances are interfirm cooperative agreements with shared objectives (Das & Teng, 1998; Doz, 1996; Kanter, 1994). They establish some level of exchange without joint ownership (Dyer & Singh, 1998). The definition has evolved over the past ten years to consistently include the voluntary nature of alliance (Das & Teng, 2000, 2001a, 2001b; Gulati, 1998, 1999; Heath & Sias, 1999; Parise & Casher, 2003). This evolution of definition differentiates alliance relationships from other types of cooperation that are mandated by a third party (Mattessich et al., 2001). The term alliance can be differentiated from the more general label of interorganizational relationship (IOR) by both degree of specificity and cooperation to achieve mutual benefit. The term alliance is not used in this study because of its specificity to interfirm relationships as well as the embedded implication that cooperation and shared goals are present and that the relationship is voluntary.

The term “interorganizational relationship” (IOR) encompasses a range of interfirm relationship types. IORs are the relatively enduring transactions, flows, and linkages that occur among or between an organization and one or more organizations in its environment (Oliver, 1990; Wilkof, Wright-Brown, & Selsky, 1995). Interorganizational relationships help firms create value by combining resources, sharing knowledge, increasing speed to market, and gaining access to foreign markets (Doz & Hamel, 1998). This terminology is common to scholarly writing about interfirm relationships in marketing channels, distribution channels, the non-profit sector, and outsourcing (Barringer & Harrison, 2000; Celly & Frazier, 1996; Galaskiewicz, 1985; Koh et al., 2004; Lacity & Willcocks, 2000; Lusch & Brown, 1996; Oliver, 1990; Phillips, 1996). Interorganizational relationships exist on a continuum from the purely

transactional (very little organizational integration) to the complex (deep interorganizational integration). The desired value-exchange (expected of outcome) of business relationships varies along this continuum. This study will use the term interorganizational relationship (IOR) because of its prevalence in the outsourcing literature and because it does not imply a particular behavior as do the terms collaborative and partner.

### *From the Broader Domain of Interorganizational Relationships*

Research focused on the relational aspects of outsourcing became more prevalent in the late 1990s. Kern and Willcocks found six studies in the period between 1990–2001 specifically on the relational aspects of relationship management, with many other studies mentioning the importance of relationship on the outcome of outsourcing contracts (2002a). However, the majority of empirical studies about outsourcing focus on either the initial outsourcing decision process and vendor selection, or some aspect of cost and risk/benefit analysis (Kern, 1999; Kern & Willcocks, 2002a; Klepper & Jones, 1998). Only one study was identified that focused on the service provider's point of view (Levina & Ross, 2003).

The term “determinant“ is used in studies of interorganizational relationships to suggest a set of characteristics or determining factors for influencing successful IORs (Dyer & Singh, 1998; Fjermestad & Saitta, 2005; Gottschalk & Solli-Saether, 2005; Kim & Park, 2002; Oliver, 1990). These studies and theoretical models are not focused specifically on relational aspects. They are relevant to this dissertation because they understand interorganizational relationships as being composed of multiple concurrent dimensions.

Henderson (1990) was interested in understanding partnerships as a management strategy to achieve competitive advantage. Henderson works extensively in the area of outsourcing as a

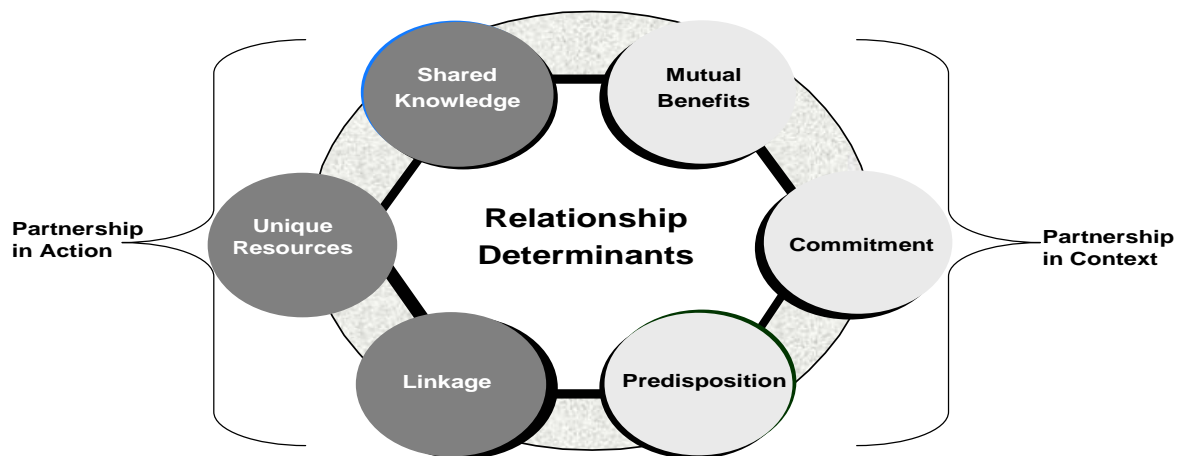
researcher and consultant to outsourcing delivery organizations. He uses the term partnership as synonymous with IOR and includes outsourcing relationships in the domain of partner relationships. He developed a descriptive model of IOR based on interviews with 17 executives responsible for the management of external partner relationships and 11 responsible for the management of relationships internal to their firm. Henderson's intent is to generalize broadly about the IORs.

Henderson defines partnership as “a working relationship that reflects a long-term commitment, a sense of mutual cooperation, shared risk and benefits, and other qualities consistent with concepts and theories of participatory decision making” (p.8) The model is structured around two dimensions drawn from a brief review of the literature: partnership in context and partnership in action. The factors of partnership in context relate to the longevity, stability, and interdependence of the relationship. The factors of partnership in action focus on day-to-day working relationships. Six determinants of partnership, three for each dimension, emerged from the interviews. These include:

- Mutual benefits—the clear articulation and agreement upon the value to each member of the partnership. Values were financial returns, increased electronic data exchange, process or productive innovation, innovation, risk sharing, and the creation of a positive working environment
- Commitment—shared goals, incentive systems, contracts
- Predisposition—trust, positive attitudes, and assumptions
- Shared Knowledge—understanding of partners' environment, culture, and work processes
- Distinctive Competencies—comfort with mutual dependency that maintains a win-win

- Linkage—process and information integration, cost-sharing, personal relationships

Figure 3 shows the relationship between the two dimensions of partnership in action and context with the six determinants.



*Figure 3.* The Henderson determinants model of partnership in action and partnership in context.

The Henderson study (1990) has no description of analysis beyond a mention that the model, once drafted, was reviewed by an executive team for “critical examination so that possible enhancements could surface” (Henderson, 1990: p. 9). The language used in the results section implies some level of thematic analysis. This lack of analytic detail weakens the credibility of the total study.

The literature was reviewed to identify qualitative research about interorganizational relationships. Two qualitative studies were found on the dimension of collaboration in interorganizational relationships. A case study design explored collaboration where there are

conflicting goals and unequal power (Hardy & Phillips, 1998). A second study applied a discourse analytic framework to examine social processes that underlie collaboration (Lawrence et al., 1999).

Hardy and Phillips (1998) developed a case study of the UK refugee system. The authors define the scope of analysis as an interorganizational domain where an interaction takes place, and view collaboration as one of a number of strategies used in that domain. Additionally, they are interested in relationships where there are conflicting goals and unequal power. All of these criteria may be present within an outsourcing services provider.

The authors take a constructivist interactionist approach to the study of IOR:

Interorganizational domains emerge as different organizations perceive themselves to be connected to common issues. They are not objective, predetermined structures, but processes of social construction and meaning creation, wherein social order is negotiated....As individuals come to share a vision of the issues and participants that constitute the domain, they become stakeholders. (Hardy & Phillips, 1998, p. 218)

The authors do not describe their analysis process. However, they provide an adequate overview of the involved organization. Each page of the published article includes several direct quotes from the individuals in the relationship. The authors use the voices of the relationship participants to tell the story.

The findings describe strategies used by the participants in the IOR to limit or control the direction of organizational change. They identify power dynamics, particularly formal authority, as central to the way collaboration is enacted. Hardy and Phillips identified four engagement strategies: (1) collaboration, (2) compliance, (3) contention, and (4) contestation and their interactions with corresponding countering actions. The researchers' view is that both

collaboration and conflict can be adaptive but that both require power. Similar dimensions may emerge as strategies for creating value in outsourcing relationships.

Cynthia Hardy extended her research on collaboration in a study with Lawrence and Phillips (Lawrence et al., 1999). The study develops a discourse analytic framework for examining social processes that underlie collaboration. The organizational field of this study is commercial whale watching. The authors suggest that whale-watching companies are an appropriate illustrative choice for the study of collaboration as “the related organizations and individuals that make up the organizational field cooperate in a complex web of formal and informal collaborations that play an important role in structuring the relationships and understandings of members of the field” (Lawrence et al., 1999, p. 480). The primary data collection was interview. A purposive sampling design was used and data were coded consistent with Glaser and Strauss’s grounded theory approach.

The implication of this study to the present dissertation is the authors’ perspective on the discursive relationship of “the self” in a social arena: “Understanding collaboration as a discursive phenomenon leads to a theoretical position that highlights both the social production of collaboration and its social products” (Lawrence et al., 1999: p. 480). The study “connects processes of social construction and negotiation with the social context in which they are embedded” (Lawrence et al., 1999, p. 480). Additionally, the research focus is on collaboration as a particular dimension of interorganizational relationships rather than on a organization. Collaboration is defined as: “a cooperative, interorganizational relationship that relies on neither market nor hierarchical mechanism of control but is instead negotiated in an ongoing communicative process” (Lawrence et al., 1999, p. 481). The analysis explores how individual



motivations and interests emerge while also demanding rationality among a group of individuals. Both organizations and individuals have legitimate interest.

Heath and Sias (1999) focus on the role of communication in collaboration. Their central research question was: “what communication practices are associated with the shared mission and shared power components of collaborative spirit?” (Heath & Sias, 1999, p. 360). Shared mission and shared power were identified as core constructs because of their prevalence in the authors’ review of the literature. The authors take an exploratory case approach to understanding a particular social situation. The case setting for this study is a cross-sector community alliance formed to provide solutions for juvenile delinquency problems. The rationale for selecting a case approach is credible: the question is exploratory in nature and the interest is in identifying processes in sustaining collaboration. Data were collected by interviews, a demographic questionnaire, and observation of group meetings. The interview guide was “moderately structured” to identify perceptions of shared mission and power and the communication practices that contributed to those components. A content analysis was completed around the pre-identified constructs of shared mission and shared power. Therefore, although qualitative, this design did not allow dimensional emergence. The research identified communication practices, both supporting and hindering, that were associated with collaboration. These practices are summarized in Table 1.

This study was included because of its design and focus on collaboration and communication, both frequently identified dimensions of IORs. “Collaboration occurs when a group of autonomous stakeholders of a problem domain engage in an interactive process, using shared rules, norms, and structures, to act or decide on issues related to that domain.” (Wood and Gray, 1991, as cited in Heath and Sias, 1999, p. 357). The work of service delivery in technology

outsourcing presents a similar opportunity for an interactive process. Therefore, Heath and Sias' findings, in a small community alliance, may have relevance to corporate IORs

### *Relationships in Outsourcing*

Case studies and quantitative survey research are the most common research designs in studies of outsourcing relationships. Survey research, which seeks to understand correlations between variables, is most frequently applied when the research question is focused primarily around a particular time period in an outsourcing relationship, particularly the decision to outsource. There are a variety of case methods, including single case studies, retrospective case analysis, and multicase analysis based on the re-analysis of previously used interview data.

This section begins with a review of a study on IT sourcing practices by two of the preeminent authors in the field, Lacity and Willcocks (1998). This is followed by a review of two studies that identify, or focus on, the individual in the total context of an outsourcing IOR. The first, also authored by Willcocks (Kern & Willcocks, 2002a), is a cross-case study that takes an interpretivist view of the interaction between a supplier and client. The second (Koh et al., 2004) is a sequential qualitative-quantitative mixed-method study that explores the psychological contracts that exist between outsourcing clients and suppliers. Finally, the single study found in the literature that focused on the perspective of the service provider is reviewed (Levina & Ross, 2003).

Lacity and Willcocks provide (1998) an excellent example of how a program of research, begun as part of a doctoral dissertation, can yield a significant contribution to a field. This paper is a review of data on 61 IT sourcing decisions made in 40 U.S. and U.K. organizations during the period 1991 through 1995. The original 8 cases, collected in the U.S., were Lacity's doctoral

dissertation. These were followed by 21 U.K. case studies drawn from a broader range of outsourcing relationship types (selective, total, and total in-sourcing cases), and 6 more U.S. cases. All interviews were completed using the same research method and interview scripts. First, 1,200 pages of data were coded into categories that had been predefined by the authors based on literature review. These were then cross-tabulated against a cost-saving model developed by the authors in a prior study. The analysis was somewhat emergent: “The codes are the creations of the researchers in that they identified and selected them. Some categories were expanded, changed, or discarded as ideas developed through repeated interactions with the data” (Lacity & Willcocks, 2000: p. 366). The authors define the value of outsourcing as cost saving, and outsourcing success is measured based on expected cost savings achieved. The authors categorized their analysis into seven key findings, most of which focus on cost outcomes and contracting behavior. Their findings are summarized in Table 2.

This study is a comprehensive and realistic primer for any reader interested in the experience of outsourcing. More recently, Lacity and Willcocks have moved toward theoretical research focused on the stakeholder perspective: “...in the context of IT outsourcing relationships, we found that the dyadic customer-supplier perspective sheds only limited understanding. Instead we found that a more micro analysis of multiple stakeholders within the trading partners is required for in-depth understanding” (Lacity & Willcocks, 2000, p. 357). This dissertation addresses that recommendation.

Kern and Willcocks (2002a) contribute a relationship framework that encompasses the dual perspective of both client and supplier in an outsourcing relationship. The authors identify their approach as qualitative, interpretivistic, exploratory, and “dependent on the knowledge of reality as socially constructed by the individual human actors” (Kern and Willcocks, 2002a, p.

7). The research adopts the International Marketing and Purchasing (IMP) group's dyadic interaction approach. The model delineates the context, parties, interaction, and behavioral dimensions of buyer-supplier relationships (Cunningham, 2001). Kern and Willocks use the model as a guiding framework and populate it in the context of IT outsourcing relationships.

As is consistent with an exploratory study, the number of participating organizations was not large in number. However, the authors point out that the suppliers were amongst the largest IT service companies in the world. Five suppliers covered 13 outsourcing contracts with seven different clients. The client participants each represented a different industry. Multiple nationalities were represented. Clients were British, Japanese, and Dutch/British. Suppliers were American, British/French, and French/British.

This research is important to this chapter for two reasons. First, it attempted to identify the individual in the total context of an outsourcing IOR. Second, it demonstrated how a classificatory framework could help researchers to understand a complex phenomenon. The findings suggest a cautionary note against attempting to take a solely individual view on an outsourcing relationship. The authors were unable to identify supporting data that fit the individual dimension. This is a challenge with the industry rather than a failing of the research design and can be attributed to the multiple hierarchical levels and numbers of people involved in managing an outsourcing relationship. Kern and Willcocks point to other studies that have illustrated the detrimental effect on relationship when the multiple interface points in complex organizational relations are not identified. Additionally, they found the interaction framework to be too general for specific IT outsourcing arrangements. Subsequently, Kern and Willcocks (2002b) have developed an analytic framework for assessing relationship success. No empirical testing of this framework has been published.

Koh, Ang, and Straub (2004) explore outsourcing relationships from the point of view of individual client and supplier project managers. The theoretical lens is the psychological contract perspective. This contract refers to an individual's mental beliefs about his or her mutual obligations in a contractual relationship. The research questions are: (1) what are the critical customer-supplier obligations in an IT outsourcing relationship?; and (2) what is the impact on success when obligations are fulfilled? The authors cite Creswell for a sequential mixed method design. Quoting a later edition of Creswell:

This model is characterized by an initial phase of qualitative data collection and analysis, which is followed by a phase of quantitative data collection and analysis. *Therefore, the priority is given to the qualitative aspect of the study* [emphasis mine]. The findings of these two phases are then integrated during the interpretation phase. (Creswell, 2003)

Therefore, the study was conducted in two phases. Phase I was a grounded qualitative approach. Phase II was survey design that explored correlations between variables. The findings of Phase I provided the dependent variables for Phase II. The independent variable was satisfaction.

The study was situated in Singapore and focused on both customer and supplier project managers in outsourcing relationships. In Phase I, all respondents declined tape recording of the interviews and the researchers had three note-takers at each interview. The Phase II design is well-documented in the publication. Their response rates are quite high for all phases of the study at 43 to 56%.

In Phase I, the author's goal was to understand perceived obligations between the individuals in the role of outsourcing buyer and outsourcing seller.<sup>2</sup> They interviewed the customers about the supplier's obligation, and the suppliers about the customer's obligation.

They failed to ask the individuals what they saw as *their* obligation to the relationship; This was a weakness in the study design. The resultant data allowed them to look for mismatches in mindsets and expectations but did not allow them to explore for misalignment in the expectations of self and other. It set up a non-reflective model where the respondents articulated what the “other” should be and do without reflecting on what they, themselves, should be and do.

The study reviews the impact of psychological contract violation in other organizational settings. Research on psychological contracts can be found in the field of human resources and is focused on the contract between employer and employee. Research in this context has consistently demonstrated that misaligned psychological contracts lead to significant negative effects, reduced trust, and reduced organizational commitment. This research has also demonstrated that psychological contract fulfillment leads to increased organizational support and commitment (Koh et al, 2004, p. 364). The theoretical psychological contract lens, used to study mutual obligations, seems potentially applicable to the exploration of intraorganizational services relationships if the delivery of client service is viewed as a mutual obligation.

Levina and Ross (2003) published an explanatory case study, based on grounded theory methods, to examine the impact of a service provider’s strategy and practices over the course of an applications management outsourcing engagement. The purpose of the study was to build a framework for understanding the value proposition for the IT outsourcer. The authors interviewed members of both the vendor (their language) and the client organizations. The resulting theory exposes relationships between the number and variety of projects controlled by the vendor, the vendor core competencies, the client-vendor relationship, and client satisfaction. Levina and Ross address the largely unexamined perspective of the service provider while, at least in part, taking a qualitative, if not constructionist, approach.

To summarize, researchers from various backgrounds have studied interorganizational and outsourcing relationships. A predominant focus has been on understanding contract and negotiation behaviors and provider selection. The relationship between the client and the service provider has gained increased attention, primarily and certainly with occasional exceptions, by way of correlation studies, case studies, and game theory. Very few studies or theoretical papers have focused on the perspective of the vendor. This dissertation study, a dimensional and situational analysis for the purpose of generating a grounded theory from the perspective of a service provider, adds significantly to the field of IOR research by examining a predominantly silent area of the discourse on outsourcing relationships.

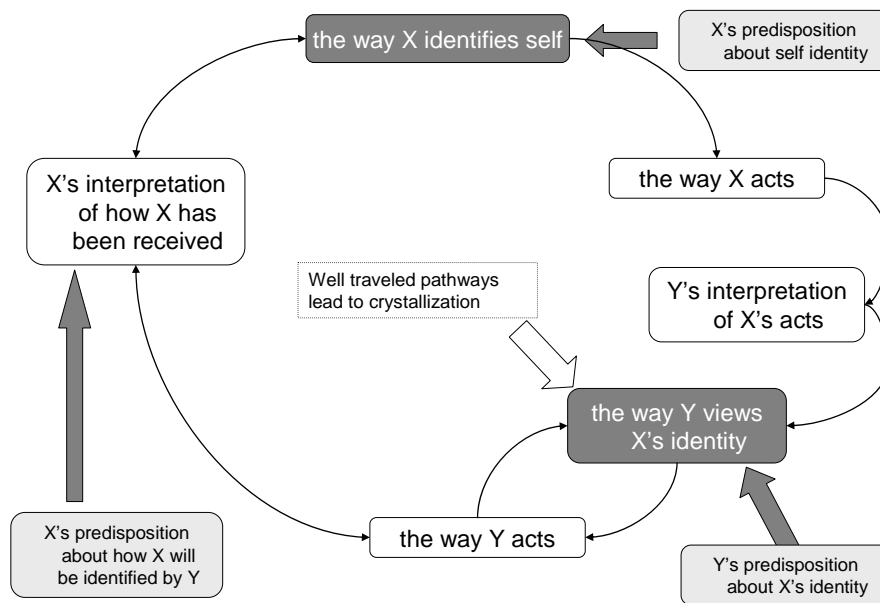
### Relationship Formation

The overuse of the term “relationship” juxtaposes public and private domains and makes a tangle of its meaning (Firat & Venkatesh, 1995; Stern, 1997). Restricting searches to *business* relationships significantly reduces the yield of articles. No theoretical papers or studies were discovered specific to relationship formation in technology outsourcing as it is conceptualized in this study. Papers applying the term “relationship formation” in interorganizational or outsourcing relationships are found to be, most frequently, theoretical and either about the strategy and actions of initiating a contract between two organizations (Gimeno, 2004; Gulati, 1995; Mitsuhashi, 2002; Whetten & Leung, 1979), or organizational characteristics (Cravens, Shipp, & Cravens, 1993). Two papers were identified that deal with collaborative or cooperative relationship formation (Beech & Huxham, 2003; Kranton, 1996). Beech and Huxham (2003) integrate their theory with an action research project. Two theoretical papers were situated in community action (Beech & Huxham, 2003; Van de ven, 1976).

Kranton's (1996) application of game theory to relationship formation was reminiscent of Gulati's study of cooperation and fear of opportunistic behavior within an alliance (Gulati, Khanna, & Nohria, 1994) and Heide and Miner's (1992) study of how relationships unfold through ongoing interaction. Kranton suggests that the presence or absence of capability to form new replacement relationships is a dimension that is managed in order to sustain cooperation and that "workers must develop long-term relationships with specific colleagues to exchange help and information" (Kranton, 1996, p. 215). This leads to the assumption that the model may extend to intra-organizational cooperation, more likely mimicking that portion of the model in which agents cannot readily form new relationships. If this were found to be the case, the game theory model would suggest an improved likelihood of collaboration success.

Beech and Huxham (2003) develop an identity formation cycle by way of action research in a community health setting. They describe the identity formation process in interorganizational relationships as a "melee of cycles that become entangled with each other" (Beech & Huxham, 2003, p. 37). The authors suggest that individuals enter relationships with a preconception of their own and others' identities: An individual forms an identity for themselves and for their relationship partners prior to any actual interaction. Figure 4 is a simple identity formation cycle that depicts identify formation from the perspective of one individual X. There is a mirror image identity formation cycle occurring concurrently for a second person: Y. The authors challenge the reader to imagine the complexity of repetition of this cycle in the situation of an interorganizational collaboration.





*Figure 4.* A simple identity formation cycle for one person (X) with another (Y) (Beech & Huxham, 2003, p. 39).

The identity that is assigned to the other individual can be based on a social category such as job title, role, physical appearance, or educational background. These preconceptions may be taken for granted or not consciously thought out. They introduce the notion of a phantom actor, an identity based entirely on predisposition or object without social existence, that changes the relationship formation between other actors (Beech & Huxham, 2003: p. 37). The study formed a natural bridge to the writing, both scholarly and informal, about adult-to-adult relationship formation by way of the Internet.<sup>3</sup>

Van de Ven (1976) identifies the relationship between two or more organizations as a social action system and derives six assumptions and nine hypotheses for explaining why and how social agency networks form<sup>4</sup>. The hypotheses are derived from a review of literature. The paper identifies situational factors, process, structural, and outcome dimensions. The situational

factors include resource dependence, commitment, consensus, and sameness of goals (Van De Ven, 1976, p. 29). Van de Ven use of the terms situation and dimension is an apparent similarity to the present study. However, the approach of beginning with hypothesis generation runs counter to my way of understanding the situation of relationship formation. Interestingly, the author closes his paper with a supporting recommendation for this proposal:

Many activities in an interorganizational relationship cannot be explained simply by analyzing relationships between pairs or clusters of member agencies. Instead, many events are collective social facts which emerge out of the actions of the IOR as a unit. Therefore, a study of IORs should also examine dimensions of the overall structure and functioning of the social action system. (Van De Ven, 1976, p. 35)

### Summary

The studies that are reviewed in this chapter come from a range of distinct theoretical frameworks and different methodologies. The purpose of this chapter is to weave these varied ontologies together and *begin* to chart the narrative discourse found in the empirical literature that is related to the situation of relationship formation in technology outsourcing from the perspective of the service provider. The literature includes a great deal of information about optimizing factors and organizational characteristics. However, more often than not, the research fails to identify the actors in an interorganizational relationship and what happens once they are in place. Relationship formation, a temporal and conceptual center of this study, is essentially uncharted by the empirical research in services or business.

## CHAPTER THREE: METHODOLOGY

This study employed the grounded theory methods of dimensional analysis (Caron & Bowers, 2000; Schatzman, 1991; Schatzman & Strauss, 1973) and situational analysis (Clarke, 2005) to develop a theory of relationship formation in technology outsourcing services that is grounded in the experience of the service provider. Technology outsourcing is an interorganizational relationship (IOR) where “individuals are nested within organizations, which are nested within networks of organizations, which are nested within industries and national economies and cultures” (Klein, Palmer, & Conn, 2000). This study looks specifically at the outsourcing service provider as a nested service system, and develops a theory to explain what is happening within that organization to form *intra*-organizational relationships for the purpose of ongoing service delivery in an *inter*-organizational relationship. The focus is neither at the organization-to-organization level nor on the individual employee. This study examines the multifaceted situation that is made up of many people, organizational processes, technologies and tools, history, contractual mandates, and other dimensions that emerge through the course of the study. The research questions were:

RQ1: What is occurring during the formation of a technology outsourcing relationship in the context of a heavily matrixed, multi-layer, and multi-site situational field for the service provider?

RQ2: What are the dimensions of a situational analysis for relationship formation in technology outsourcing services that is grounded in the experience of the service provider?

Through investigating how service relationships form, this study may help technology service delivery organizations make better decisions about group deployment, identify differentiating

skills and behaviors on both individual and team levels, and engage in a greater number of successful service exchanges.

The data collection for this study was completed over six months between August, 2006, and January, 2007. The sources of qualitative information included: 1) 25 in-depth, unstructured interviews with technology outsourcing services professionals from a Fortune 50<sup>5</sup> global technology organization; 2) review of artifacts that were determined as theoretical sampling progressed (e.g., job descriptions, process documents, metrics, and measurement policies); and 3) participant observation during the early phases of outsourcing relationship formation. The data sources were first coded (open, axial, and selective) (Boeije, 2002; Clarke, 2005; Strauss & Corbin, 1998) and conceptualized by way of a dimensional matrix (Charon, 2001; Schatzman, 1991). Situational maps were developed (Clarke, 2005) as lenses through which to contextualize the data and develop the theoretical model.

This chapter provides an overview of the methods and processes of dimensional analysis and situational analysis. The explanatory matrix is described as the cornerstone of dimensional analysis. The various maps of situational analysis are introduced and described. These sections are followed by a brief summary of ethical considerations and design issues. Next this chapter describes the data sources, sampling, and collection processes of the study. The Chapter concludes with a phased description of the methodological journey, supported by working examples of situational and dimensional maps that were developed as guides to analysis. In total, these sections make clear why a combination of dimensional and situational analyses was the best methodology for the research objective.

### Dimensional and Situational Analyses

This study employed dimensional analysis (Caron & Bowers, 2000; Schatzman, 1991; Schatzman & Strauss, 1973) and situational analysis (Clarke, 2005) to generate a grounded theory. The procedures and analytic techniques of dimensional and situational analyses are aligned with the work of Anselm Strauss (Glaser & Strauss, 1967; Schatzman & Strauss, 1973; Strauss, 1987; Strauss & Corbin, 1998) but include distinct processes to generate grounded theory (Caron & Bowers, 2000; Clarke, 2005; Kools et al., 1996; Schatzman, 1991).

The centerpiece of dimensional analysis is the explanatory matrix. The matrix is developed to transform a problematic situation into a plausible explanatory theory without dependence on received theory or personal intuition: “The definition of a constructed situation is a theory of it” (Schatzman, 1991: p. 307). Situational analysis calls for the creation of situational, social arena, and positional maps to more systematically understand the sites of action and interactions (Clarke, 2005) in a situation. The maps act as a flexible analytic platform for the dimensions of the situation of relationship formation to unfold, fold, refold, and emerge into a grounded theory.

Dimensional and situational analyses are constructionist approaches for generating grounded theory (Bowers, 1988; Caron & Bowers, 2000; Charmaz, 2003; Clarke, 2005; Glaser & Strauss, 1967; Kools et al., 1996; Schatzman, 1991; Schatzman & Strauss, 1973; Strauss & Corbin, 1998) that are rooted in symbolic interactionism (Berger & Luckmann, 1967; Blumer, 1969a; Caron & Bowers, 2000; Charon, 2001). Symbolic interactionism is understood “not as a philosophical doctrine but as a perspective in empirical social science—as an approach designed to yield verifiable knowledge of human group life and human conduct” (Blumer, 1969, p. 21). Symbolic interactionists understand that all social interaction, and our human understanding of it,

is symbolic, occurs in relationship with other actors, unfolds over time, shapes our individual identities and roles, and creates society (Charon, 2001). The social arena theory of situational analysis is linked to Chicago School interactionism. Social arena theory is a conflict theory in which both intra- and interworld differences are critical to exploration. The social arena itself is the unit of study rather than the individual, the organization, or the relationships between individuals and organizations (Clarke, 1991, 2005)

### *Dimensional Analysis*

Dimensional analysis was introduced by Leonard Schatzman in the early 1970s, but was not well documented in print until the 1990s (Caron & Bowers, 2000; Kools et al., 1996; Schatzman, 1991; Schatzman & Strauss, 1973), Schatzman was concerned with the lack of structured analytic processes for grounded theory generation and the negative impact of this lack on his students' experience and research. Dimensional analysis moves beyond the exploration of basic social process to attempt to address the question, "What *all* is involved here?" (Kools et al., 1996; Schatzman, 1991). This approach creates an opportunity for the researcher to construct and reconstruct the multiple and complex components of a social phenomenon and to identify not only the parts of the whole, but also the "meanings of interactions observed in situations" (Kools et al, 1996, p. 316).

Dimensional analysis brings the natural meaning-making process of symbolic interactionism intentionally out of the realm of the unaware and onto the primary field of data analysis and grounded theory generation. When human beings interact with others, they naturally—and often unconsciously—take the role of other, engage in internal discourse, define objects and symbols in the situation to attach meaning, recall past experience, and rehearse

action (Charon, 1991, p. 121). This meaning-making is going on for the researcher as well as for the research participants as they respond to questions and act in situations. The explanatory matrix makes the researcher's natural reasoning and meaning-making more explicit. As an outcome, the explanatory matrix generates a more plausible and consistent theory (Caron & Bowers, 2000; Schatzman, 1991; Schatzman & Strauss, 1973).

Dimensional analysis integrates unstructured interviews, participant observation, the practice of memoing, and the constant comparative method as activities and techniques for data collection and analysis. Dimensional analysis reorders the importance of the explanatory matrix, seen by Strauss as one among many ways analytic tools or stances, to assume a cornerstone position (Kools et al., 1996; Schatzman, 1991). The explanatory matrix provides the structural and procedural cornerstone that sets the direction of analysis and explanation. The matrix tells the central story in the context and particular conditions of the actions, attributes, interconnections, processes, and implications of the situation (Schatzman, 1991: pp. 308-309). Different terms are used to describe the elements of the explanatory matrix (Benson & Holloway, 2005; Kools et al., 1996; Schatzman, 1991). The language used in this study, with definitions, appears in Figure 5.

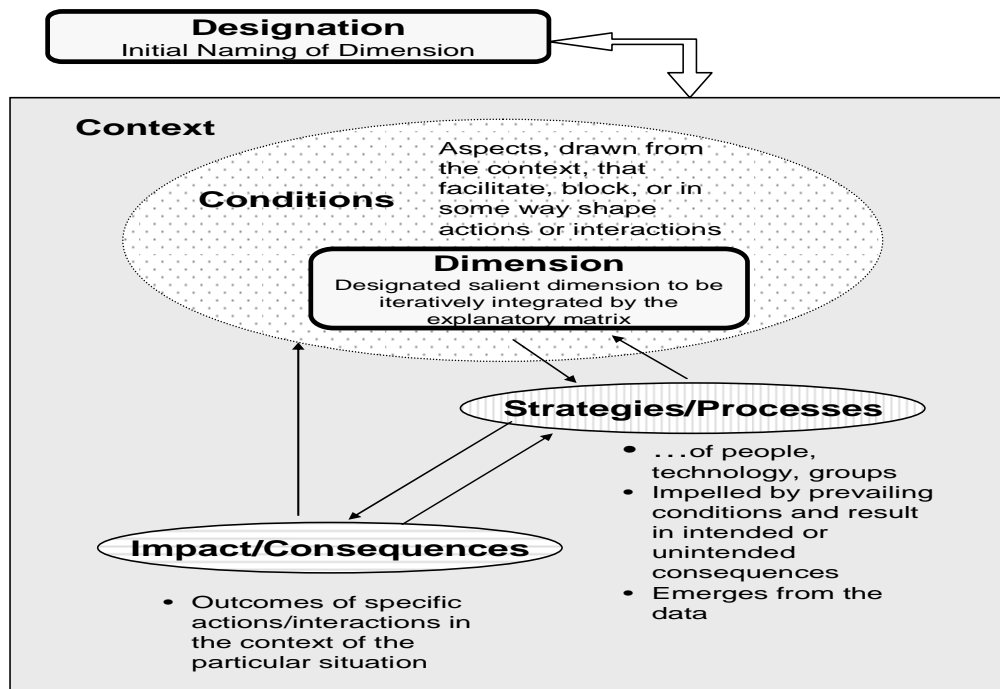


Figure 5. Terminology of the dimensional analysis explanatory matrix.

Four processes are fundamental to the method of dimensional analysis. These non-linear processes, gratefully drawn from the writing of Caron and Bowers (2000), are expressed here in the terms of this specific research study:

(1) *Describe all of the social constructions of the concept: relationship formation.* This process begins with “casing the joint” (Schatzman & Strauss, 1973) to determine the general scope of the situation and some of its general activities and to conduct preliminary unstructured interviews. Analysis begins with a line-by-line review of transcribed interview data, from which a broad range of dimensions is generated with no limit or particular order. Dimensions are named early in the analytic process but are not fixed permanently in any way. The dimensional names can



(and will most likely) change as additional data are collected and constant comparisons are made to identify variations in the patterns of the data (Strauss & Corbin, 1998).

*(2) Describe relationship formation in the various situations where the concept is used and, from the perspectives of multiple service providers, explore for differences in perspective and meanings.* Interviewing, coding, memoing, and observation each provide information for this process. At this stage of research, one of the goals is to get the broadest range of interpretations and contexts out on the table for consideration. The various maps of situational analysis support this process of dimensional analysis.

*(3) Understand and differentiate between the use and meaning of relationship formation.* This process is used to help the researcher understand “the conceptual nature and evolution of concepts, and the fluidity of concepts across perspectives and contexts” (Caron & Bowers, 2000). The identification of multiple meanings is essential to the analysis. The constant comparative method is engaged throughout this process as a recursive inductive activity. Each perspective of the concept of relationship formation, drawn from the data, is compared to all others to understand how the concept is embedded in different contexts, how the concept shifts, and how it is defined (Boeije, 2002; Schwandt, 2001).

*(4) Identify assumptions that are associated with different perspectives on relationship formation.* A hallmark characteristic of dimensional analysis is that the assumptions inherent in the different perspectives of the research participants, the researcher, and the research team are made visible. As an example, this study defines the concept of relationship formation as a means to establish systemic connections between persons that support the co-creation of value. That definition is based on the assumptions that relationships are important to business results and that the making of connections is part of all that goes on in the early stages of relationship formation.

Through this work, the explanatory matrix is gradually populated, integrating, dis-integrating, and reorganizing dimensions until it “translates the theory into a clear narrative version” (Kools et al, 1996, p. 319).

### *Situational Analysis*

Situational analysis is an approach to grounded theory that extends Strauss’s focus on social arenas as the root conceptual metaphor for the generation of grounded theory. Situational analysis assumes and recognizes that the actions of human beings are embodied by their physical existence, constructed by the relationship among multiple truths and various interpretations of a given situation. The situation, not the individual actor, is the site of analytic grounding.

Situational analysis is a way of making meaning from data through the creation of situational maps, social arenas maps, and positional maps. These situational analyses occur throughout the research process (Clarke, 2005).

Situational analysis extends traditional grounded theory approaches by “taking the nonhuman explicitly into account” (Clarke, 2005, p. 60) The potential situational impact of nonhuman actors and elements is particularly relevant to the development of grounded theory in the context of a technology organization as the non-human elements (e.g., machines, geography, time zones)<sup>6</sup> are pervasive, transform the patterns of interaction, and add variation, complexity, and unpredictability to relationship formation situations. “The boundaries between these kinds of categories are rather leaky, and furthermore, many entities are conceived as hybrids—various combinations of human and nonhuman” (Clarke, 2005, p. 63). The study is sensitized to the potential *not just*-ness of this situation: *not just* about people, *not just* about location, *not just* about process, *not just* about technologies.

There are three main modes of situational analysis: situational maps, social arenas maps, and positional maps. Each of these have a place in the analysis of data in this study.

Situational maps help the researcher move through the data while holding the focus on the situation. The researcher explores for “what ideas, concepts, discourses, symbols, sites of debate, and cultural ‘stuff’ may ‘matter’ in this situation” (Clarke, 2005, p. 88). Situational maps are not static. Instead, they evolve from messy to ordered, with a changing array of actors and elements. Clarke suggests a frame of categories for inclusion in situational maps that is drawn from her work as well as Strauss’s ordering framework (Clarke, 2005, p. 90). This frame appears in Table 3. Each situational map may, but is not required to, include elements in every ordered category. The iterative situational maps act as ongoing guides to stimulate thinking.

Social arena maps move from the level of individual element or actor/actant in a situation to a middle-level analysis of social action. “One enters into the situation of interest and tries to make collective sociological sense out of it, starting with the questions: What are the patterns of collective commitment and what are the salient social worlds operating here” (Clarke, 2005, p. 110). Social arena maps define boundaries that can be either fixed or porous. Individuals typically participate in more than one arena. The ability to specify the key social worlds and the relationships among them is the analytic value of this map. The social arena map will be used as an ongoing analytic activity to interrogate the data. Ultimately, the social arena map will be used to tell the overarching stories of the social world.

Positional maps codify the major positions taken in the data on topics of focus and concern. The positions are not associated with particular individuals or groups. Instead, they represent the range of basic, often contested, perspectives identified in the situation. Positional maps do not assign a relative value to the major positions. Rather, they provide the researcher

with a way to view the spaces and silences between positions in the situation, point to the boundary and border perspectives, and maximize difference and variability. This analytic activity is one of breaking apart data and contrasts with the creation of situational and social arena maps, both of which encourage the analyst to identify and group. Positional maps give democratic voice to all positions on their own terms. The three forms of situational maps are pursued simultaneously, supported by the detailed coding of dimensional analysis. Each provide a fresh and possibly unique route into the data.

### In Defense of the Method

Technology outsourcing services are delivered at the intersection of different social worlds. The core research participants include businesspeople, technology engineers, and project managers. They, in turn, intersect with other arenas:

What this means methodologically is that if one seeks to understand a particular social world, one must understand all the arenas in which that world participates and the other worlds in those arenas and the related discourses, as these are all mutually influential/constitutive of that world. (Clarke, 2005)

Therefore, an approach where the social arena is the unit of focus, as opposed to the relationships between individuals and organizations, is both appropriate and novel.

Dimensional and situational analyses share a common centering question: What all is happening here? Together, dimensional and situational analyses provide an analytic framework to surface the interconnectedness and overlap between the work of people in heavily matrixed work environments who are heavily enabled by technology and, more often than not, geographically dispersed. Not only are the basic social processes identified by the combination

of these approaches, but the marginal unheard voices and non-human actors can be given prominent positions as well.

This inquiry is situated in a corporate technology setting whose potential audiences are both academic and business people. It is, therefore, of particular importance that the resulting theory from this study is both applicable to and recognizable by business laymen as well as sociologists. Dimensional analysis, specifically the explanatory matrix, generates a narrative that can be tested on “laymen” (businesspeople) to understand the story and test and evolve the theory by way of future research (Schatzman, 1991). Leaders of organizations can consider the cartographic view provided by the three kinds of maps of situational analysis—situational, social arenas, and positional maps—as a way of opening up and understanding the actions in the organization (Clarke, 2005).

A social scientific approach to theory creation that is grounded in the experience of the research participants will explain and provide perspective on the behaviors that constitute technology service relationship formation, have practical application for the service providers of technology outsourcing, advance knowledge about service relationships in outsourcing, and establish a style for future research in interorganizational services relationship research. In so doing, this study will complete what Glaser and Strauss refer to as the “jobs of theory in sociology” (1967, p. 3).

### *Ethical Considerations and Design Issues*

From its inception, a goal of this inquiry has been to generate a theory that provides a practical benefit to organizations whose people provide technology outsourcing services by describing the situation of relationship formation within the service provider organization. It was

understood that the participants may have difficulty seeing the value of participation without some picture of a potential benefit. The participants' intense focus on the bottom line of profit was an important sensitizing concept. However, it was critical to avoid any implications that participation in this study would directly lead to specific business outcomes. Understanding and balancing the expectations between the potentially polarizing extremes—the desire for short-term prescriptive solutions to immediate and painful business challenges and the need to develop thoughtful theory based on sound research methods were given careful attention. This was accomplished initially by obtaining fully informed consent and subsequently refined through ongoing processes of communication with participants and sponsors about the role and activities of the research team.

The protocols for participant protection, including privacy, confidentiality, potential risks and benefits, and records retention, were defined and approved through review by Antioch University's Institutional Review Board (IRB). Confidentiality was maintained in such a way that individual statements and perspectives are not attributable, although the value and depth of the findings are retained. Dimensionalizing and mapping the data provides some degree of confidentiality and immunity at the individual participant level. However, the number of data collection sites is not large—potentially three to five to reach saturation—and it is likely that an informed reader may be able to identify the participant organizations and, by association, involved individuals. Therefore, it is possible that total confidentiality cannot be assured. This was discussed with each participant when obtaining the informed consent for participation. The final document does not include actual participant names and, in most cases, job roles have been renamed. An exception is the role title of Project Manager, which I deem so generic as to not expose any individual, group, or corporate identity.

*Toward Trustworthiness and Authenticity*

Studies are typically evaluated in retrospect for trustworthiness and authenticity. However, by documenting criterion in advance of data collection and analysis, the primary researcher and research team can be sensitized to the intentions of the research design. This portion of the document was created for the dissertation proposal and was designed to be revisited during and after the process of data collection and analysis. Table 4 contains criteria for the evaluation of constructionist qualitative inquiry drawn from Lincoln and Guba (1989) and descriptions of how dimensional and situational analyses support the criteria during this study. Chapter Five contains a short section that reflects back on these criteria.

### The Study Method

This section of the chapter presents the specifics of design for this study. The section begins with a description of sampling. This is followed by a brief discussion of the team approach taken in early analysis. The section concludes with a description of data collection and analysis.

*Sampling*

Initially, I met with a series of executives from the hosting Firm to gain the necessary permission to undertake the research. In this preliminary period, three formal job roles were identified as holding the greatest responsibility toward establishing the internal service team or service system. These roles were: 1) the Project Executive (PE), with overall responsibility for

service delivery; 2) the Delivery Project Executive (DPE), with primary responsibility for the technical service delivery; and 3) the Initiation Project Manager (IPM), with responsibility for the complex project management required in the start-up stages of a new outsourcing relationship. At the time of the proposal, it was anticipated that the primary participant pool would include at least three people from each specific role.

Following the approval of the dissertation proposal, I began to participate in a conference call where representatives from various departments in the Firm met weekly to discuss new service contracts that were nearing contract signing. Three characteristics were required of the contracts that would be mined for participants: 1) that they be new, rather than renegotiated, continuing outsourcing contracts for the Firm, 2) that they would be United States based, and 3) that they were outsourcing contracts, thereby guaranteeing that the roles targeted for initial sampling would all be present in the assigned group. Otherwise, the contracts themselves—their size, scope, industry orientation, or other contract characteristics—were considered when sampling for potential participants. This was a process of selective sampling. Selective sampling is a decision, made prior to the initiation of data collection, that certain participants and realms within a broader context fit the general sociological perspective of the inquiry. (Schatzman & Strauss, 1973). To begin selective sampling with this initial participant population does not formalize or lock in the dimensions for the situation. Instead, the initial participants set the stage for the question: where next?

Four contracts were signed over a period of three months, during which time I recruited specific individual participants for the study. As each contract signed and the Service Initiation Team was confirmed, I sent the potential participant an e-mail containing a short description of the study, including information about how I came to have their name, the study objectives, and



the time commitment for participation. Each e-mail was followed with a meeting invitation for a telephone call.

Ultimately, I received replies and meeting invitation acceptances that provided access into three of the four accounts. During initial telephone calls, I gained invitations to meetings scheduled to kick off the activities of the Service Initiation groups. I was invited to these meetings with the understanding my attendance would provide an opportunity to meet other group members, provide additional information about the study, and obtain consent in accordance with the requirements of Antioch University's Institutional Review Board (IRB).

### *Team Approach*

I was aided in the early stages of coding and, later, cross-validating dimensions by a research team. The team consisted of two Ph.D. researchers, one of whom was trained in grounded theory as a part of her dissertation work. Both supporting research team members familiarized themselves with the methodological underpinnings of both situational and dimensional analysis. The team participated in identifying the dimensions, developing early situational maps, and considering the nuances of the dimensional matrices. This approach helped build a richer construction of the situation while allowing unwitting assumptions based on recognition recall to surface (Caron & Bowers, 2000; Schatzman, 1991). The team's familiarity with the work environment and prior research experience in the technology outsourcing industry provided heuristic knowledge of the study environment that added depth to the analysis. In addition, I had the support of my mentor and dissertation chair in all phases of data collection, coding, and mapping. This combined team approach allowed for critical and recursive comparison on emerging perspectives, interpretations, and theoretical assumptions.

*Data Collection*

The data sources for this study are 25 in-depth, unstructured interviews of 22 participants, taped and transcribed, with select employees who work in technology outsourcing delivery for a Fortune 50 global information technology and services firm; observation memos; and artifacts, including such things as databases, meeting minutes, documented processes, and presentations. Access to participants, locations, and artifacts was negotiated and permitted by executives at the hosting firm. For the sake of clarity, I will refer to the hosting organization as The Firm. I will use the term “participant” to refer to individuals who consented to be a part of this study. For additional terminology refer to the glossary in Appendix 1.

*Demographics.* Demographic information was collected informally at the onset of each interview with open-ended questions. We asked participants to tell us about themselves, adding the prompt that we were interested in such things as duration of employment, formal role, and tenure in current role. This information was later captured from the transcribed interviews. Additionally, in most cases, we were able to determine race and gender, although we did not specifically ask for this information but based our determinations on direct observation, photographs posted on Web sites and, in a few cases, voice, name, and use of self-referent gender pronouns. A summary of demographic information appears in Appendix 2.

The variation in what participants chose to share about themselves and how they described their role and relationship within the SIT influenced our interview process. For example, we noticed that participants did not always describe themselves in terms of the formal organizational chart. Based on that early finding, we began asking participants to draw a picture of themselves in relationship to the Firm and the SIT. Forced or multiple-choice questions, as are

more typically used to collect demographic data, would have yielded less rich information for this particular study. In this case, the participants were free to provide an undirected reflection into their constructions of self and relationships with others.

*Interviewing.* Interviews provide an important source of data for dimensional and situational analyses. The intention of interviewing is to seek and understand the participants' experiences, perceptions, descriptions, and stories of relationship formation (Kvale, 1996) in the broadest terms and in their own language. The interviews for this study were meaning-making conversations geared to tap into the way the participant thinks about the concept of relationship formation. As is the ideal, the participants did most of the talking during interviews while the researcher gently held topical boundaries<sup>7</sup> (Schatzman & Strauss, 1973).

Formal interviews were recorded and transcribed by a professional transcription service. Field notes captured the more informal conversations. In both cases, and separate from the transcriptions and field notes, analytic memos were prepared to capture the researcher's thoughts and reflections about the data. Analytic memos were an important source of data for later analysis (Schatzman & Strauss, 1973; Strauss & Corbin, 1998).

Interviews were conducted from August 2006 to January 2007. In total, 25 formal interviews were completed with participants. I led 18 interviews; 7 others were led by another member of our research team. In certain cases, we made the decision to have team members lead interviews so that the interviewer could be face to face with the participant. At least two members of our research team were physically present or connected by telephone during all interviews. We always provided the opportunity for other members of the research team to ask questions during the interview.

The first formal interviews were structured around a broad-scope initial question: “What has been your experience in forming relationships with other [Firm name] employees at the start of a new outsourcing contract?” This approach provided the broadest initial insight, or tour, of the arena through the lens of the participant. We developed an interviewing guide as interviewing progressed. This appears in Appendix 3. We did not develop the guide with the intention of necessarily asking each question. Instead, it helped us to maintain some consistency across interviewers and to stay focused on the emerging themes and dimensions while allowing the participant to lead the interviews.

Interviews were scheduled for one hour at the convenience of the participant. In several cases, the interview was followed with several hours of observation. This practice allowed for informal follow-up conversation. In several cases, I led the interview by phone while a second member of the research team was physically present with the participant. This was a carefully considered decision. We determined that interviewer consistency outweighed the advantage of a face-to-face interviewer. However, the research team member who was physically present was able to take notes and debrief with our team to capture non-verbal cues. At the end of each interview, I asked the participant’s permission to return with additional or clarifying questions. Gaining this permission suspended, rather than terminated, the interview (Schatzman & Strauss, 1973).

*Observation and artifact.* Our research team had a variety of opportunities to observe the work of the Service Initiation Teams. Many observations were face to face at the work locations of the teams. Others were via telephone during initiation team or subgroup telephone calls. Field notes and memos were maintained for observations. During interviews and observations it was

common for participants to mention particular documents, databases, technology tools, and business processes. As those were named, our team asked for copies and/or access. Artifacts helped to establish and enrich our understanding of the context and dimensions.

The observation and artifacts, in concert with the interview transcriptions, were recursively visited and contributed to our understanding of the sphere of discourse. Chapter Four, Figure 10, is a graphic depiction of this discourse analysis

### *Data Analysis*

The ongoing basis of site and participant selection was based on three types of coding procedures common in grounded theory building: open coding, axial coding, and selective coding. The specific sampling decisions emerged during the research process.

Beyond the decisions concerning initial collection of data, further collection cannot be planned in advance of the emerging theory...the sociologist does not know them until he is guided by emerging gaps in his theory and by research questions suggested by previous answers. (Glaser & Strauss, 1967, p. 47)

The research goal was to sample the situation, incidents, and events of relationship formation, not specific people or organizations. It was not driven by a particular number of data collection locations or threshold number of individuals to be interviewed. In this type of work, data collection continues until theoretical saturation occurs (Kools et al., 1996).

During sampling, the investigator looks for indicators (events or happenings) representative of theoretically relevant concepts, then compares these events or happenings for their properties and dimensions, always looking for dimensional

range or variation. Persons, sites, and documents simply provide the means to obtain these data. (Strauss & Corbin, 1998, p. 215)

Saturation was sought to understand the roles of relationship formation and their multi-secting social worlds.

The last section of this chapter describes the specific data analysis activities that were the methodologic journey of this study.

### The Methodologic Journey

Unanticipated pathways appeared during the data collection and analysis process that were off the trajectory of this particular study. Some of these pathways are already being explored by members of the research team in separate studies. Others will become part of a broader program of research.

I have divided this section into three sub-sections—Phase 1, Phase 2, and Phase 3 of theory development. This division is for the sake of document clarity and is not meant to imply a directly linear process. As is appropriate to the processes of grounded theory, the range of coding and mapping activities occurred reflexively throughout the study.

#### *Phase 1—August to October 2006*

In August 2006 formal data collection began with observation of a full-day meeting attended by an extended group of Firm employees, including all members of a Service Initiation Team (SIT). The purpose of this meeting was to kick off the group's work. At this meeting, I provided an overview of the study and shared the informed consent material with the potential participants from the three targeted roles. Only the Project Executive consented to participate.

His interview occurred at his convenience much later in the study. After this meeting, I had a better understanding of the constituency of the SIT. An important outcome of this observation was the identification of an additional role as critical to the study, the role of the Overall Service Initiation Manager.

It was possible, based on the observation work that had been completed up to this point, to generate an initial sloppy situational map. This is shown in Figure 7. In a 'messy map' the elements are not shown in any particular relation to each other. The messy map shows the complexity and density of conditions in the situation, although the research was focused on small-scale groups (Clarke, 1991). Therefore, dimensions appear on the messy map that the study is not focused on. Still, the actions and interactions of the situation are constituted in and through the properties and conditions of the broader situation. They are shown to build and support context and provide reflection back into the decisions that were made in later phases of the study.

In September 2006, a second SIT was formed. I attended their kick-off meeting and presented an overview of the study and provided the consent form. This group had nine members. Seven consented to participate, including the one Project Executive, the one Initiation Project Manager, and five of seven Project Managers. These interviews were completed in September 2006. The interviews were initiated with one open-ended question:

1. What has been your experience in forming relationships with other [Firm name] employees at the start of a new outsourcing contract?

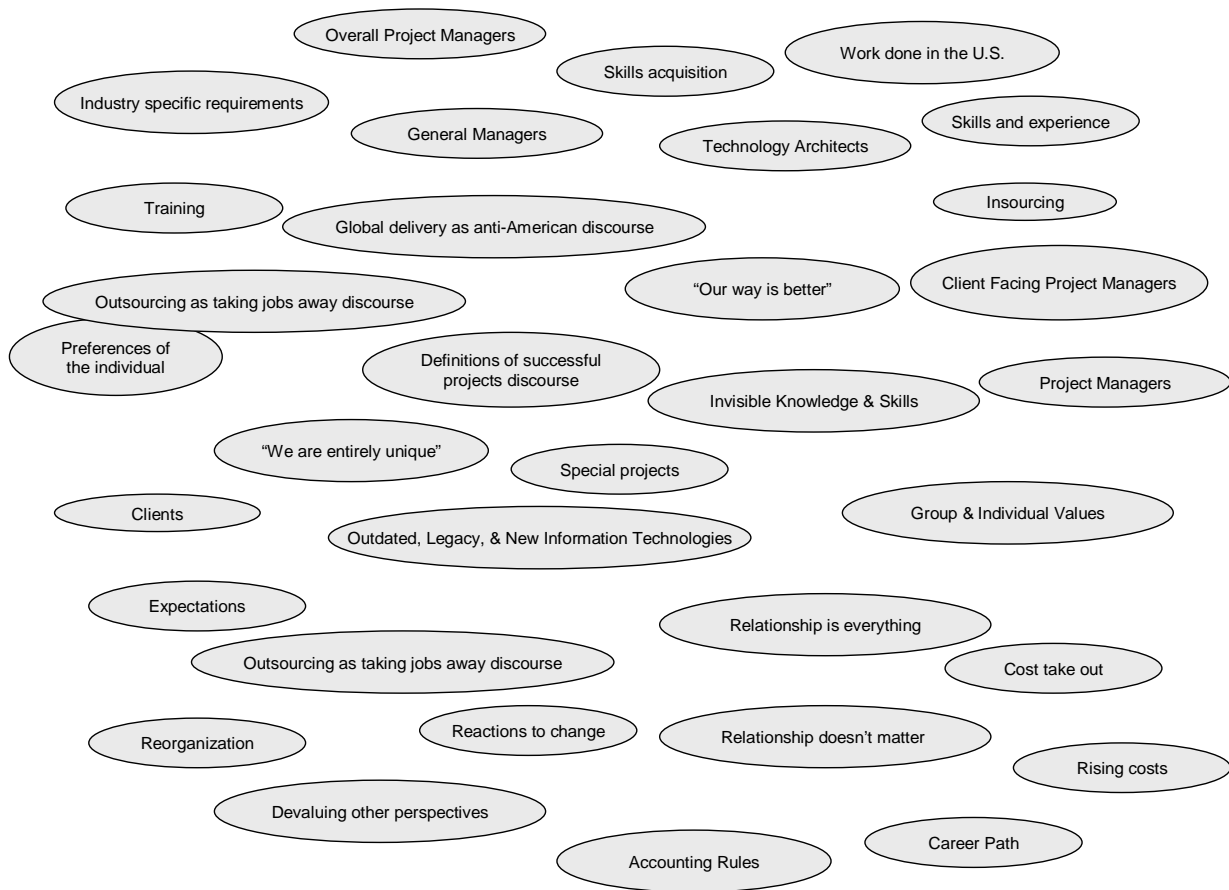


Figure 6. Messy situational map of outsourcing initiation within a service firm.

The research team worked together to complete open line-by-line coding (Schatzman, 1991; Strauss, 1987) of two interviews and partial coding of two more. Working alone, I then completed the coding of the second two. At this point the precise wording of the participants was diligently maintained so as to not establish concepts prematurely, assign interpretations, or miss subtlety and nuance of the participants’ experiences.

I was able to see emerging relationships by generating a graph of free nodes (see Figure 7). These were in the area of expectations, communication, helping, and grouping. Additionally,



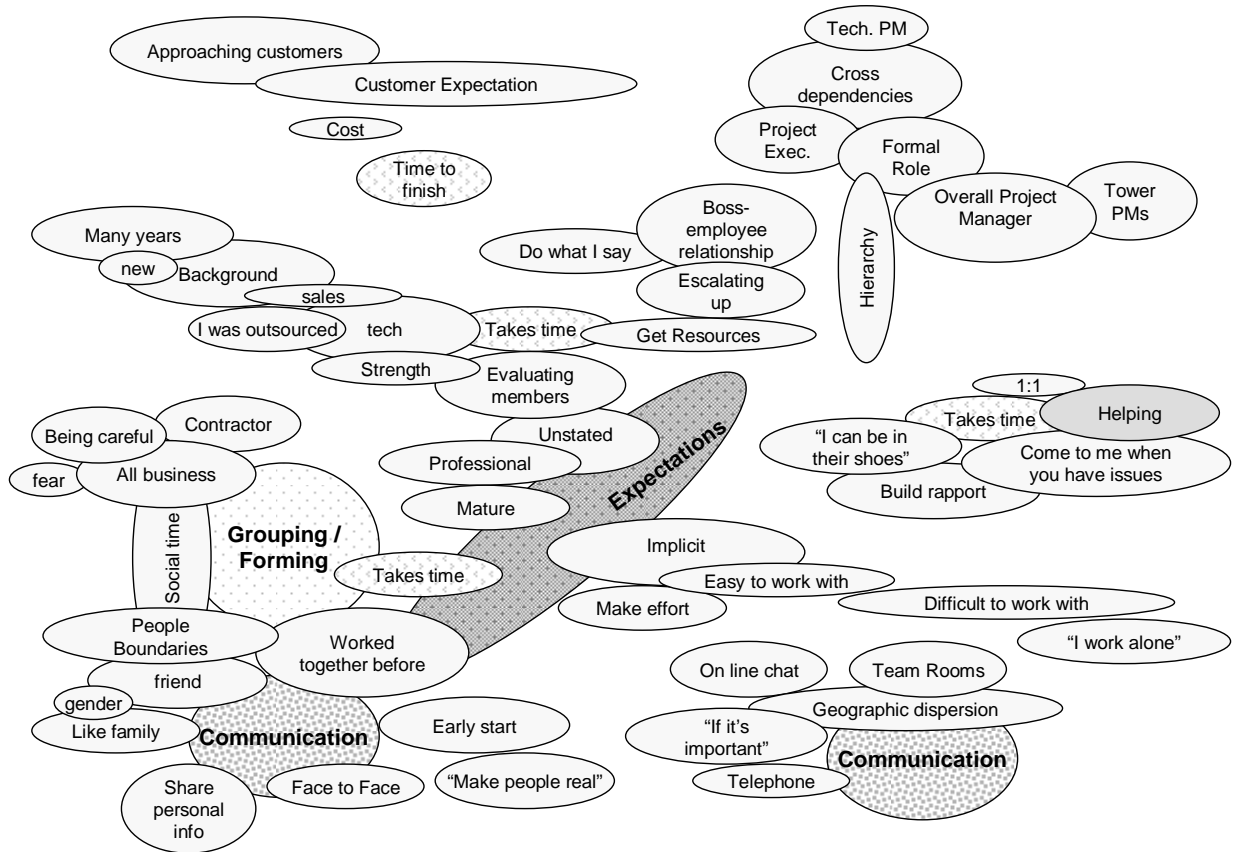


Figure 7. Dimensional analysis based on open coding of four interviews.

the variance in the definitions of the term 'relationship' continued to be significant and quite polarized. The team made a decision to always ask the participants to talk about the term relationship and what it meant to them in this context. Additionally, we were interested that the participants did not describe their relationships with others by describing formal hierarchy based on the organizational chart. Therefore, we agreed that whenever possible we would ask the participants to draw a picture of their relationships. We proceeded with additional interviews sensitized to these emerging dimensions. Based on the results, we added a second question to all interviews:

1. What has been your experience in forming relationships with other [Firm name] employees at the start of a new outsourcing contract?
2. During this conversation we've both used the word relationship frequently. What do you mean when you use that word?

It was clear that an understanding of the various social constructions of relationship was a predecessor to understanding the dimensions and situation of relationship formation.

Another SIT team was formed and two members of the research team attended the kick-off meeting. Together we identified additional opportunities to observe the SIT and identified target participants by role. We met together as a team to develop an interview guide (appears in Appendix 3). We decided that one of the research team members would lead the observation activities due to geographic convenience but that I would lead interviews whenever possible.

### *Phase 2 –November to December 2006*

The constant comparative method (Boeije, 2002) was fully engaged and data collection and analysis took place concurrently. In October, three new interviews were completed from within the second participating SIT. During the same time period, two more interviews were completed with members of the first participating SIT using the revised interview guide and asking both set open-ended questions. The combined five interviews were open coded.

New dimensions were appearing less frequently and axial coding began to support more detailed matrices. Two of the initial four participants were interviewed again, along with four new participants from the second SIT. Additionally, other early interviews were revisited to look for the newly sensitized dimensions, as is consistent with selective coding.

Dimensional analysis graphs were developed as mechanisms to make decisions about where to turn next. Some dimensions had been added, while others had grown in importance because of the frequency with which they showed up in the interviews and observations (for example, face to face). The highly interrelated nature of the codes made it challenging to determine the central dimension for a situationally meaningful story. The dimension of time showed up in many ways and in relation to other dimensions. However, as we began to move into explanatory matrices it became clear that time was a context element—central in that regard in that it was a condition that set up the dimensions. The dimensional analysis from this phase in the study appears in Figure 8.

A stark polarity remained in the way participants talked about relationship. There were also differences in perspective between those individuals who had worked together before and those who had not. Participants talked about relationship in terms of the work that it accomplished.

The roles of Project Executive (PE) and Overall Service Initiation Manager (SIM) had emerged as central in the dimensions of relationship formation. To this point, there was only one of each of these roles in the identified SIT. Fortunately, I was able to identify another SIT and three individuals agreed to be interviewed. One was a Project Executive and two were Overall Service Initiation Managers.

There was only one interview of a Delivery Project Executive (DPE), a target role identified at the initiation of the study. As is the case with the roles of PE and the IPM, there is typically only one DPE assigned to each Service Initiation Team. Only one DPE had responded

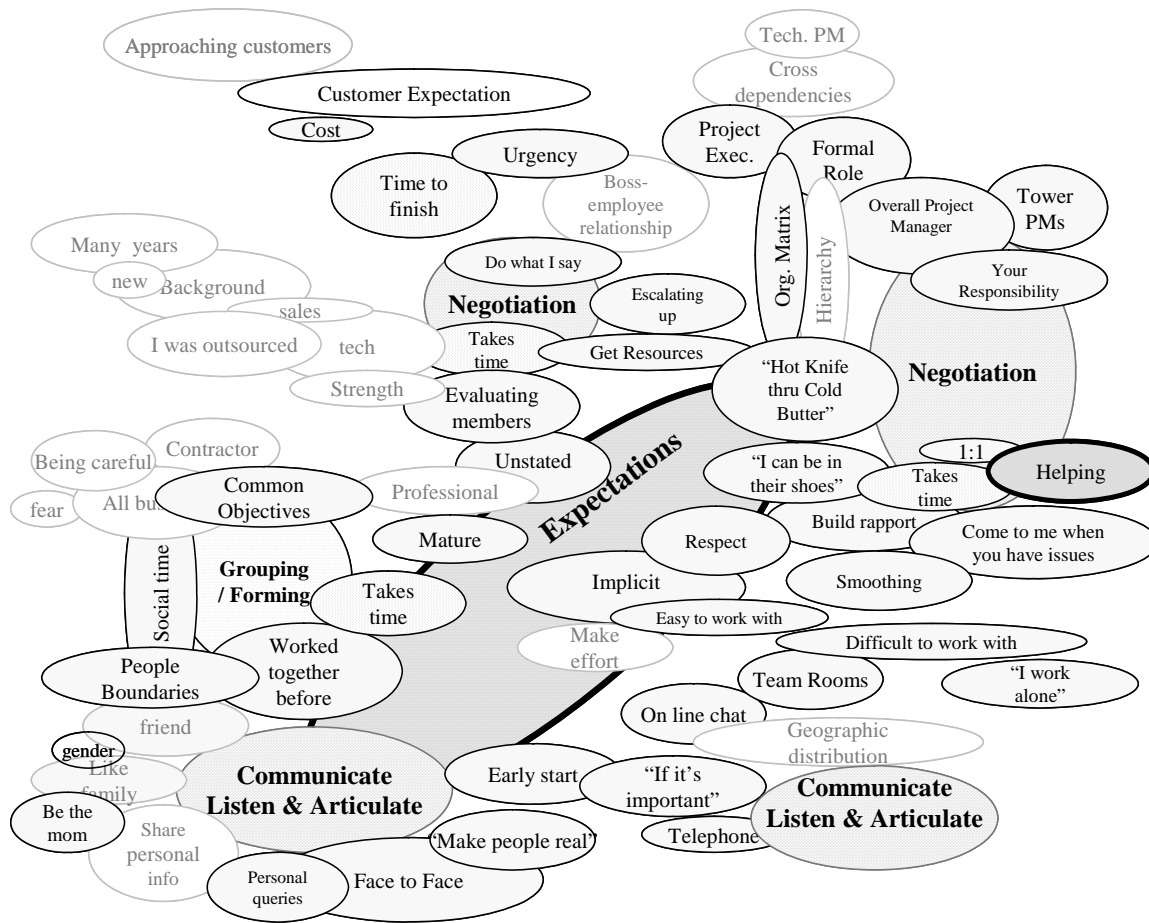


Figure 8. Dimensional analysis of axial coding.

to the request for participation; obviously, this narrowed the potential field significantly. The research team met to discuss this situation. We considered reaching beyond currently active SITs to interview individuals who had performed in the role of DPE in the past. We considered the data from existing interviews where the role of DPE was discussed by other participants. We decided that it was most consistent with the method to continue sampling and coding based on the emergent dimensions of the analysis and did not seek out additional DPE participants.

In late December, one of the SITs reached the end of the service initiation period. Their work culminated in an intense multi-day around-the-clock work session where all of the services

assumed by the contract fully switched over to be operated and maintained by the Firm. This observation was a capstone experience of the data collection as it presented the opportunity to observe the final work of a SIT whose members had been participants in the study from the day of group kick-off. It provided a period of face-to-face time with participants to test the dimensions of the analysis.

### *Phase 3—January to March 2007*

By early January 2007, all interviews and observations had been completed. I returned to the interview transcriptions, memos, and artifacts to look for missing dimensions and confirm or disconfirm the central and sub-dimensions. Additionally, I reviewed the interviews for evidences to populate and confirm or disconfirm the explanatory matrices. This was a period of deep reflection and memoing.

### Conclusion

This study applies dimensional and situational analyses to generate a grounded theory. The data sources included formal and informal interviews, observation, and the review of artifacts. A research coding method was used to move from an open-ended exploration toward deeply focused theory generation.

Together, dimensional and situational analyses provide a means to generate grounded theory with practical use for technology outsourcing service providers. The matrix and maps tell an explanatory story that can be considered, reconsidered, questioned, or found as credible. The story that is created becomes a foundation that can inform business strategy and decision-making. These analytic approaches supported the development of explanatory matrices and

situational maps that appear in Chapter 4 and create a building block for the theoretical model that appears in Chapter 5.

## CHAPTER FOUR: FINDINGS

During a contractually defined period when outsourcing service delivery is initiated, the outsourcing service provider must discover the client's processes and technical architecture and assume all services that are included as a part of the contract. Reminiscent of the dramatic device of a play-within-a-play, this work is accomplished primarily behind the scenes, away from the concurrent task of launching the inter-firm relationship between the client and the provider that will extend for the term of the full contract. Against this backdrop there begins a period of intense effort fraught with the potential for negative consequences. In this study, this period of an outsourcing contract is termed *service initiation* and the group of individuals who are focused on this work make up the Service Initiation Team (SIT).

*My first visual image is of a conference room with 12 silent individuals sitting around a large table, each focused on his or her open laptop computer. After a few quick greetings, there was silence in the room for more than 10 minutes. When they did speak, their communication was primarily unidirectional and took the form of "reporting out" on task lists. Their conversation was focused on the "status" of project management plans that resided in a team database. One individual, the Service Initiation Manager, appeared to be the hub of conversation; the members of the group spoke to her and did not speak to each other. The laptops stayed open and their fingers flew away on the keyboards. I wondered if I would find any relationship formation in this study of relationship formation.*

*The individuals were keenly aware of the timelines of their work. The purpose of their relating was to accomplish the tasks of service initiation. They were, for the most part, strangers to each other. They expressed that their work assignment was short term and that they did not expect, necessarily, to work in the same group again. Although I would subsequently learn more about how the groupings were formed, it seemed initially that names had been plucked arbitrarily from a database. I recognized, as my observation continued and interviews began, that relations were forming, with everyday tasks acting as supporting vehicles for accomplishing work. (Initial observation of a Service Initiation Team, 08/08/2006)*

This chapter presents the findings of the study drawn from interviews, observations, and artifacts. These sources and their relationships are mapped in Figure 9. The first section of the chapter presents the situational analysis because it creates a contextual architecture that frames the dimensional analysis out of which the conditions of the analysis emerge.

The second section of the chapter reports the results of the dimensional analysis. It begins with a description of the central dimension of *Relationship Formation as a Vehicle for Accomplishing Work* and four primary dimensions of the analysis: (1) *Helping*, (2) *Veiling / unVeiling*, (3) *Having Expectation*, and (4) *Responding to Turbulence*, which are also introduced with supporting visual figures. The section continues with a more detailed description of the matrices, supported by participant quotes. The results of the dimensional analysis constitute a theory that captures what I believe are the core dimensions of relational work in the service field during the nascency of a service system.



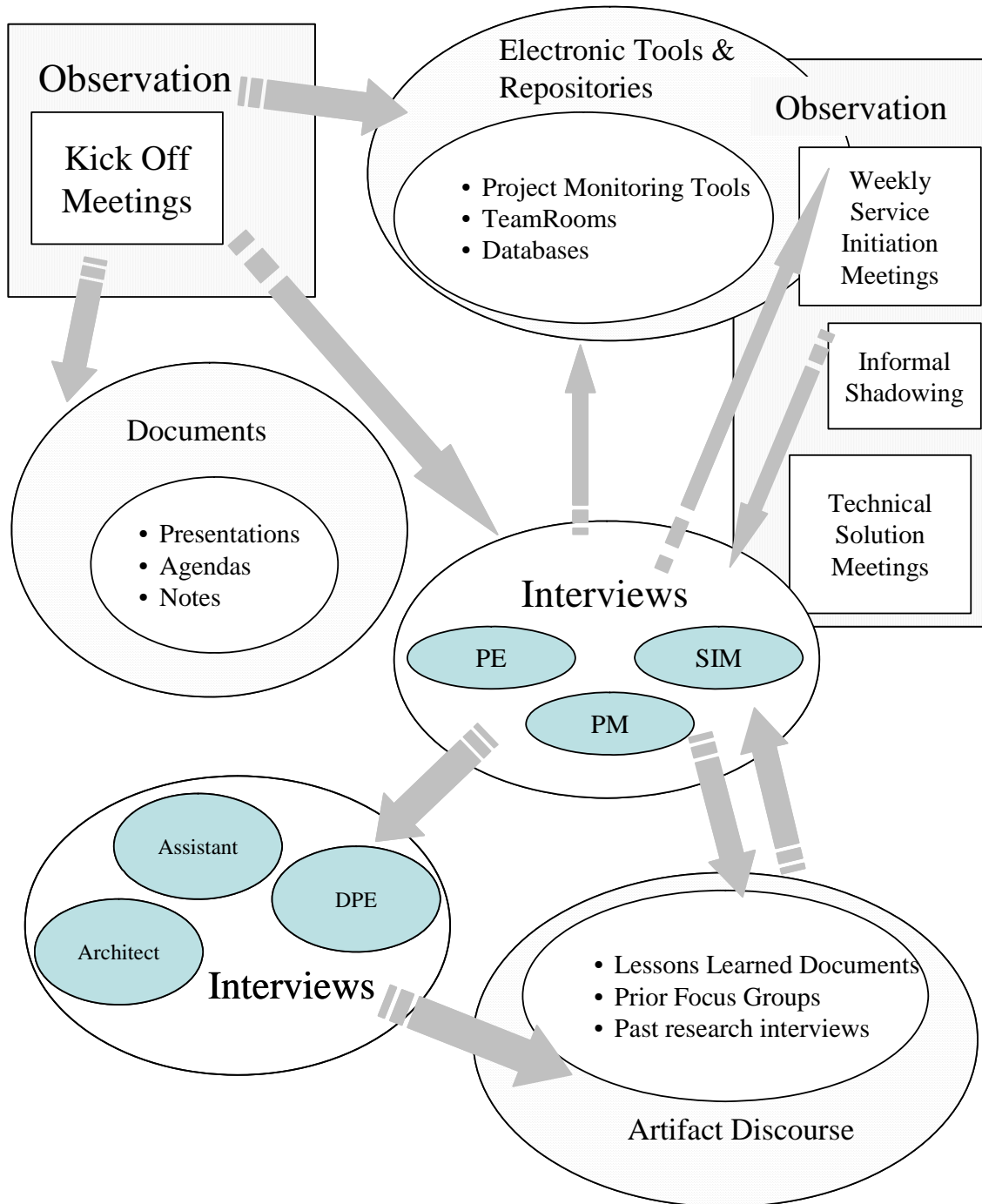


Figure 9. Discourse map.

This chapter makes extensive use of direct quotes from the participants in the study. Their words express their experience more eloquently than my paraphrase. All quotes are single spaced, indented, and in **bold text**. Each interview has been assigned a designating number that

is unrelated to the numerical order in which the interviews occurred. Each quote is followed by parentheses that contain an interview number from the transcribed interview (e.g., (#7)).

Brackets [like these] will be used in those instances where I have altered the quotation for the sake of clarity. When artifacts are cited, a referencing name will be provided in parenthesis after the reference. Observation memos will be indented double-spaced italics.

The terms “service initiation,” “Service Initiation Teams,” and other specific job role names have been selected for the sake of descriptive clarity; actual outsourcing service providers may use different names. A glossary containing brief definitions of terminology is provided as a reference in Appendix 1. Additionally, Figure 5, which appears in Chapter 3, describes the language of dimensional analysis and may also be helpful to the reader as a reference for this chapter.

### Results of the Situational Analysis

I used the tools of situational analysis to descriptively lay out the most important elements, human and nonhuman, in relationship formation (Clarke, 2005). Over the course of the data collection and analysis these were collected into an ordered map, which appears in Table 5. Figure 10 is a social arena map of outsourcing services that shows the specific study domain. The map provides a starting point for locating the study in the larger service industry. The map indicates the three contracts that were in the phase of service initiation during the study period (SIT 1, SIT 2, and SIT 3). As is described in more detail in Chapter 3, each of the research participants worked as a part of one of these contracts. Each contract was in a different service industry: industrial, manufacturing, and travel. As it turned out, there were no differences among the dimensions of the situation when compared across the three contracts. This may be because it

is the practice of the Firm to staff Service Initiation Teams from pools of United States resources that focus specifically on service initiation activities. Therefore, although the Firm is global in reach, the particular contracts that were explored in this study were solely United States based and the Service Initiation Teams were made up of United States resources.

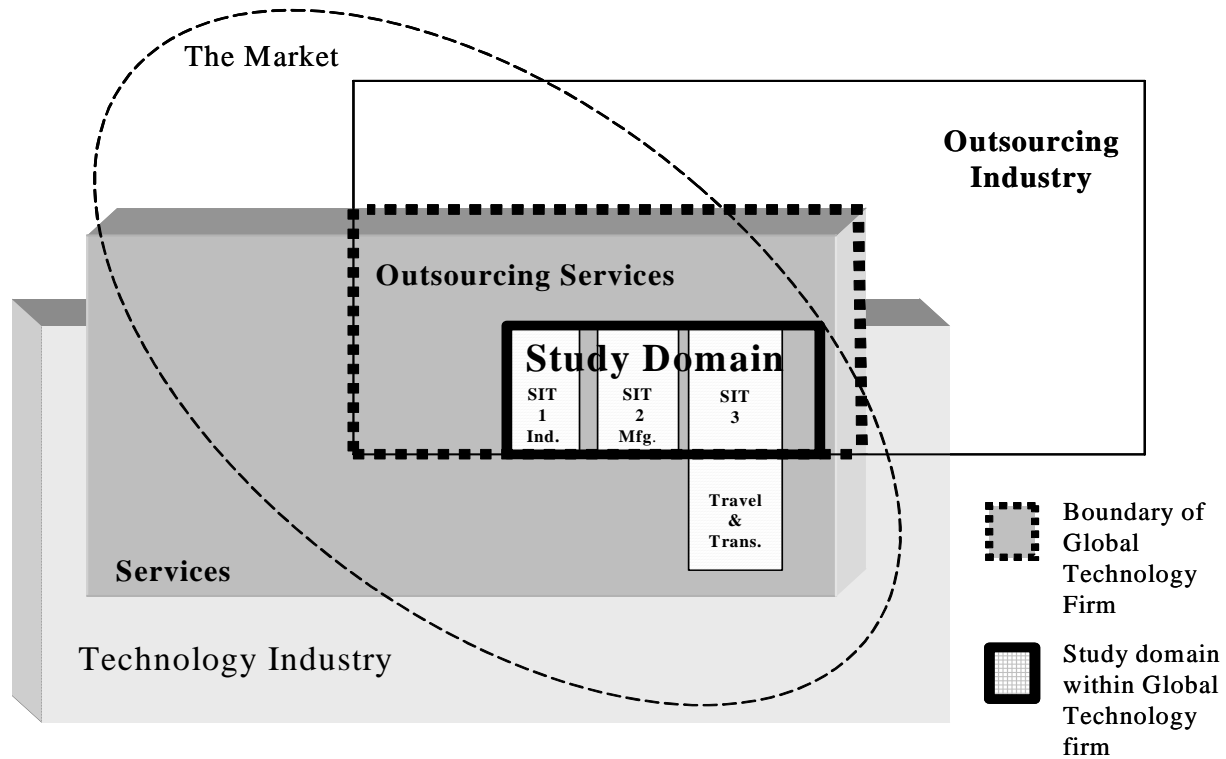


Figure 10. Social arena map: Outsourcing services arena showing study sub-arena.

Five core context areas surfaced repeatedly from the elements in this map in the interviews and discourse: (1) *job role*, (2) *structure*, (3) *geographic distribution*, (4) *technology tools*, and (5) *grouping in space and time*. These carry forward as deeply influencing the conditions of the dimensional analysis. Other elements of both ordered (Table 10) and “messy” maps (Chapter 3, Figure 6) appear as conditions, strategies, or processes of the dimensional analysis; they will be discussed fully in the Dimensional Analysis section of this chapter.

### *Key Context Areas of the Situational Analysis*

The key context areas of the situational analysis build one upon the other and are highly interrelated. The first section, *job roles*, describes the various “official” roles that are part of service initiation and their hierarchical relationships. The second section, *structure*, describes and highlights the situational complexity of the service firms’ matrix organizational structure. The third context section, *geographic distribution*, introduces the challenges of a geographically distributed workforce. The fourth introduces the situational themes related to *tools and technology*. The final section of the situational analysis, called *grouping in time and space*, describe the realities of practice that were talked about and observed when roles, structure, geographic distance, tools and technologies, and time pressures collided.

### *Job Roles*

The formal roles of service initiation described in this section provide context for the remainder of the situational analysis and the explanatory matrices of the dimensional analysis.

The roles of Project Executive (PE) and overall Service Initiation Manager (SIM) emerged during sampling and coding as central to an understanding of relationship formation. The Project Executive has ultimate accountability for the client relationship from the start of the contract and leads the Firm’s resources, particularly once service initiation is complete. The following are descriptions of the Project Executive role in the executives’ own words.

**At a very high level, the company is holding me responsible for the customer relationship. So I've always taken the customer call- [that] says that they want one throat to choke. And my throat is the one that gets choked. So from the company standpoint, I would also say that I am the one throat to choke. Who is it that they call when things go bad? And I think we've all agreed that that's the PE role. So you**

**really oversee all aspects of the client relationship and you're really responsible for delivering the services in the contract and whatever it takes. (#5)**

**The project executive role, in my mind, is the person who owns the customer relationship in some type of an outsourcing arrangement, uh, you know, the services can vary from very simple to extremely complex and I'm the person from a [Firm] perspective who owns the profit and loss, uh, and am completely responsible for meeting targets. And then also responsible for controlling contractual obligations with the customer and keeping them satisfied at the same time. So that's pretty much what I do. (#1)**

**On a day-to-day basis, I look at the structural relationship of the people that I deal with on a daily [basis] from the team that I have to put together immediately [to manage] the relationship with the customer, so it's putting all the structure and all the checks and balances and business controls [for how we] manage with the customer and internally-, and, and our internal processes around that....Then from a delivery perspective, working ... on the actual how, how we take the customer from where they are today through the [service initiation], whether we're bringing on people, implementing new processes and procedures, implementing new security policies and procedures, as well as any, any kind of technically oriented [tasks] like moving them into new data centers, doing consolidations, and things like that. And also at the same time working with the people who would be taking on things that we would call steady state support. So, I mean, it's, it's across the board. (#3)**

The overall Service Initiation Manager works very closely with the Project Executive during the contractually defined service initiation period. SIMs have a broad range of responsibilities, including overall responsibility for the Initiation Project Managers who, in turn, manage the work of subject matter experts that complete the tasks of service initiation.

**When you talk about the [SIM] and job responsibility ... making sure that we don't ... you know, blow the schedule and incur penalties is certainly a big part of the job and then I get measured on three things: on the budget, on the schedule, did we did deliver on time, and then on customer satisfaction. So [a change can give you] the potential to blow all of them-, to blow the budget and to blow the schedule. If you blow those two, then it has the chance to impact customer satisfaction. (#13)**

**Overall [service initiation] Managers, for the most part, they've come up through the ranks, they've done the individual [aspects of service initiation]. They've seen firsthand what [service initiations are] like and they know the overall organization and how it does and doesn't work best. (#4)**

**And my responsibilities are that I manage a large team of probably about 100 people, including all the contractors and all the subject matter experts that our**

**project managers individually bring in. So really, the overall responsibility of [service initiation] from a deliverable standpoint and a financial standpoint are actually with me. It's my responsibility to deliver it on time and within budget ... and to make the customer happy pretty much, so we follow the guidelines of the contract. And I have a cost case and budget that I follow... and a variety of different areas where we define scope and do all of those things with my team. (#10)**

The service initiation Project Managers (PMs) are core members of the Service Initiation Teams. Although many types of project managers are employed by the Firm, these particular Project Managers work solely on service initiation. Here, a PM describes his work process:

**So normally in a [service initiation] I just go over first and do a due diligence process. Understand the requirements, confirm what's in the contract is what's in reality. That due diligence or knowledge transfer, as some people like to call it, is like a clarification period. It can be as little as a couple of weeks or a couple of months, depending on the severity and volume of the customer. Once that's completed, I'll then go back to my project team, which is subject matter experts, we'll then either start preparing documentation or building hardware, whatever the solution calls for. (#20)**

The focus of the PMs depends on the “tower” that they are assigned to manage. A tower is a specific, often technical, area of service scope. Examples of towers in this context can include telecommunication devices, security, mid-range servers, help desks, call centers, and the like. In many cases, the PMs on a Service Initiation project may not share any joint project milestones or deliverables. In this sense, the term “tower” is evocative of the vertically focused way of working that was observed by these Project Managers.

### *Structure*

The organizational structure is a consequential aspect of the situation. This section introduces, defines, and discusses the structures of “matrix” and “tower.” In addition, it introduces the related skills, targets, and performance-measurement themes that surfaced in relation to the discourse on structure.

*Romancing the matrix.* Despite its apparent vertical focus, the outsourcing service firm that hosted this study describes its organizational structure as a matrix. A matrixed organizational structure is one in which individuals and groups typically have accountability related to more than one department in the firm ...

**The strange thing about the matrix is that I am kind of the manager, but then [the people] have another people manager. And so, you know, you have the first couple of conversations; if it's not working out, then I have to go talk to [another manager instead of the person]. I hate doing that. I think that we should all just be professional and kind of work it out. But you have to do it. (#13)**

... and are required to coordinate horizontally and vertically:

**I have to work both vertically and horizontally with people. It's the nature of the job we're dealing with from a structural perspective. (#4)**

A participant described a perspective on the matrix environment ...

**I do not like a matrix organization. Never have. I think it's too siloed. I think it's cumbersome. I don't think it's efficient or effective. And oddly enough, our customer has made that comment a couple of times; we're too siloed. They already see it and they've only been around us for six months now. (#2)**

... and shared a story that described the challenge:

**There's a group and we need support from them to set up, install, and manage this environment. And they are adamant that their line is drawn in the sand and they will not cross it, to the point where the customer wanted to understand the architecture they were putting in place and they [the other group] would not talk to the customer. They absolutely refused. And this went on for days and weeks and the customer was getting quite irritated and I was not technically deep enough to sit there and explain to them at the level they wanted what this environment would look like and how it would be managed. So it, it-, I had to go up through the third, to the fourth line manager and debate with him about, you know, you own both groups. We need somebody to talk to this customer. You can tell me that your group A here is not going to talk to them, but guess what, you own group B and they're gonna have to. So you might as well have group A do it. And it was just a painful, unnecessary, time-consuming process to try and get one organization that refused to talk to the customer, to get them to talk to the customer because that wasn't in their task, it was in the other group's task. And it's just-, it's just maddening. (#2)**

**I don't think that [the senior executive] management knows just how much pain and suffering it's causing. And how much re-, not rework, but how much time is spent just trying to get matrixed organizations to cooperate and work together. And, and just the handoffs aren't smooth. It, it's just-, it's just not good. (#2)**

I came to understand that the Service Initiation Teams, themselves, did not actually *do* the majority of the technical work. The Project Managers are assigned the very difficult task of coordinating the efforts of subject matter experts in other parts of the Firm. The subject matter experts, in turn, report to multiple managers. Figure 11 depicts the relationship between the SIT Project Managers and the matrixed subject matter experts. It is intended to illustrate rather than to depict the precise reporting structure of any particular SIT. In the words of a participant:

**There are layers and layers that go out. In the end, there'll probably be... and I'm gonna rough case guess right now, it's about 60 or 70 folks working on this [service initiation] when all is said and done. (#13)**

*Skills.* Initiation PMs coordinate the efforts of subject matter experts with experience in a particular tower but do not, themselves, necessarily hold any expertise in the tower area. This is concerning to an experienced overall Service Initiation Manager:

**So now you're hiring people who may have project management experience, but [no] ... service initiation management experience, which is a different animal. And they don't have the technical knowledge which is needed. Without that technical knowledge, you know, they may have a skill level of two on a scale of one to five with one being expert. They may have a knowledge, a skill knowledge level of two, but they would not or may not know the interdependencies from other groups, from other towers, that they need either to feed information to or to obtain information from another area. ... I mean it, it causes problems. (#22)**

Service Initiation Managers and Project Executives respond to their concern about skill levels by screening members before they're assigned to a group. In the words of one PE:

**For my top people, I require that nobody gets assigned without my ability to interview them and make sure that they could be passed. I interview all the top resources personally. I won't let anyone go on site without me interviewing them to make sure that they're going to be an appropriate representative of the [Firm], and, frankly, of me personally. (#1)**



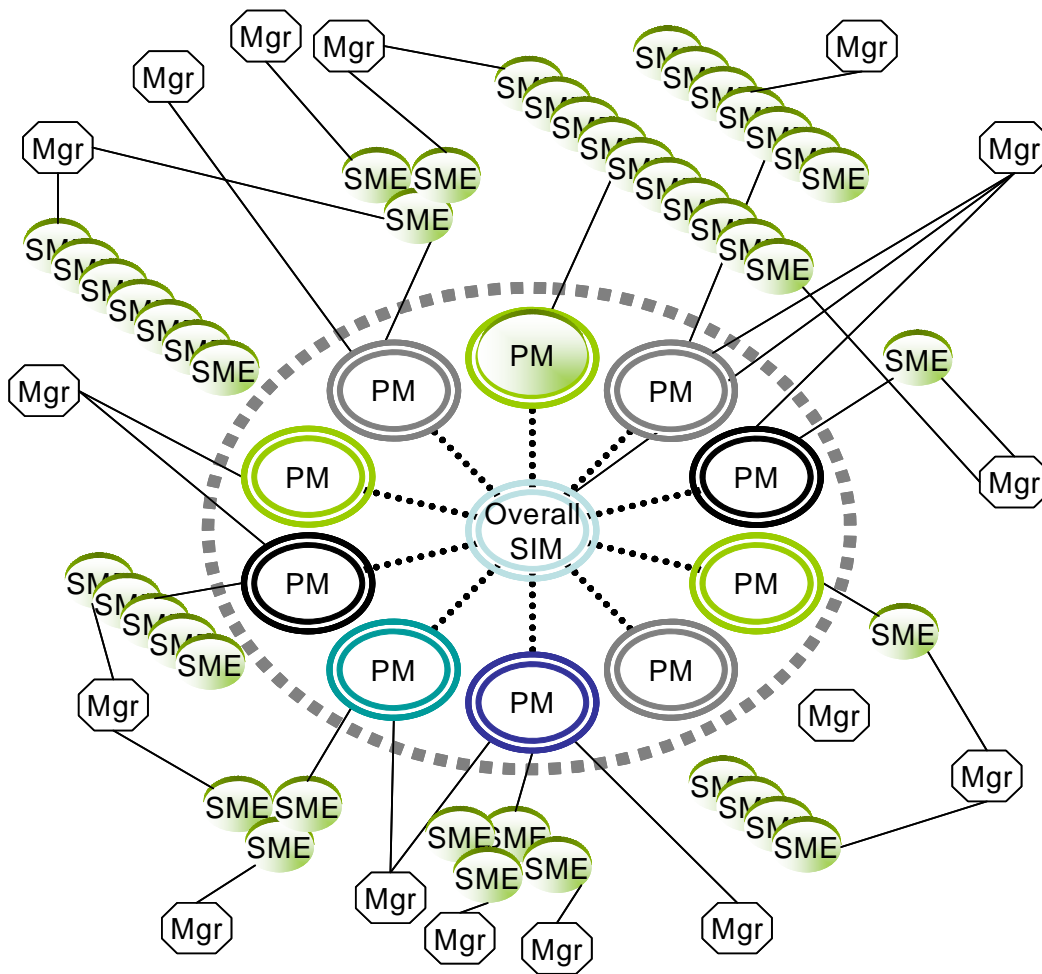


Figure 11. Illustrative matrix structure of a service initiation team.

The Project Executives and overall Service Initiation Managers articulated project management and technical skills as baseline expectations on top of which more subtle, and often unvoiced, expectations were layered. These expectations included skills for communicating and listening effectively, making impressions, demonstrating professionalism, coordinating with others, adapting to change, and handling conflict. When asked how they learned the required skills for success in their roles, they talked about learning by experience and through trial and error.

**You know, it's kinda' like the Wizard of Oz, right? Like Dorothy going down the yellow brick road ... you kind of start at the first step. (#1)**

Project Management and technical skill set expectations were also visible in artifacts. All Project Managers must be certified by an external national accreditation organization. Artifacts included automated checklists for technical skill sets with required periodic self-assessments, and documents that guide assessment of project success, assigning a red light/yellow light/green light, focus on scope management, budget, predictability of work schedules, solution costs, and risk management.

Project Managers expressed frustration and concern that project breakdowns were blamed on them and their individual skill levels rather than on more root causes and pervasive challenges.

**A solution might have holes in it that you have to fill in and cost misses that you have to get approved and things like that, so you get a solution, but it's- for whatever reason, it may not always be fully developed, so there are some holes in there that you have to deal with. (#9)**

**Where my frustration is building is that everybody seems to accept it as the norm. And I'm trying to think, okay, well, this shouldn't be normal and I can't focus on fixing anything 'cause I can't fix it, 'cause I don't where it's broken, but I gotta somehow navigate through it so I can get my project in to a state that I can execute. (#19)**

They also shared concerns about misalignment of targets and measures of success.

**We typically have different competing needs and requirements and measurements and so forth. (#1)**

**I'm trying to build this relationship with this other team to try and improve all of this and, you know, our goals aren't the same. My-, mine's-, you know, their goal is just to sign-, get the deal signed and all that other stuff can happen later. And I'm saying, hey, I'm-, you're causing me a lot of trouble on the backside by not getting this, here, put it in your plan. So I, I'm sure it conflicts with-, with their goals and, um, you know, that doesn't help. (#17)**

*Summary of the situational context of job roles and structure.* Figure 12 is a map of the participant job roles and structural situational factors. It was generated at the end of the first

phase of interviewing as I began to understand the specifics of job roles, positions in the organization matrix of the Firm, and themes regarding skills and unstated expectations. As its starting point, Figure 12 had the “messy map” shown in Chapter 3, Figure 6. A variance in perspective about the value derived from relationship was present. Participants’ stories of learning while doing work in a state of adversity planted the initial seeds for the core condition of Helping and the primary dimensions of *Veiling*, *Having Expectation*, and *Responding to Turbulence*. These will be explicated fully in the Dimensional Analysis section.

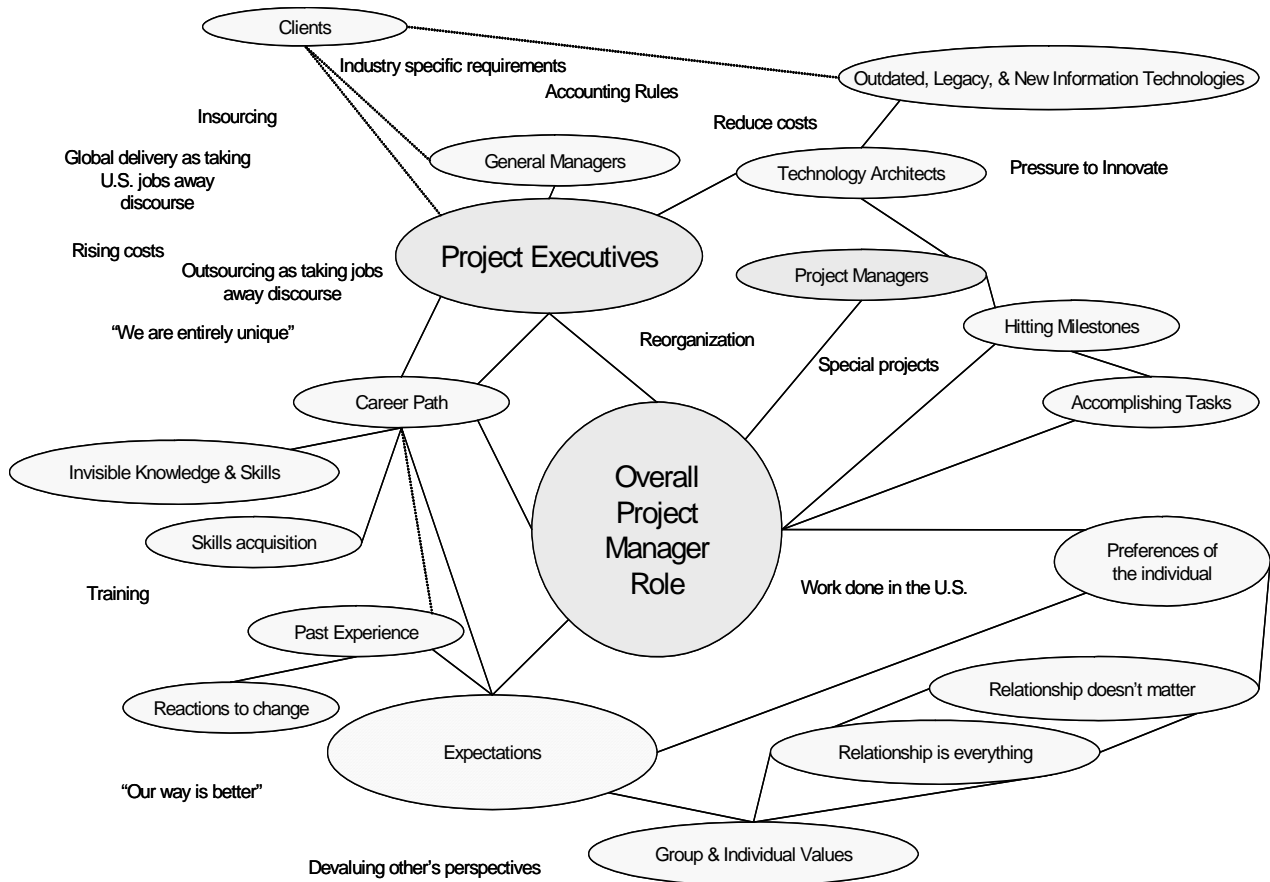


Figure 12. Early situational map: Participant roles and situational factors.

*Geographic Distribution*

This section of the situational analysis describes the geographic distribution of the Service Initiation Teams. When Service Initiation Team members are many hundreds of miles apart, often separated by several time zones, an already complex situation gains added layers of complications. Additionally, having the team members scattered creates a value-for-cost dilemma regarding the expenses of face-to-face meetings.

*Workplace.* The groups and individuals who participated in this study lived in different states within the United States. Where they live is not of particular interest to the Firm.

The Project Executives, study participants who stay involved with the client beyond the service initiation phase and into steady state, either already had relocated or were scheduled to relocate to be close to the client's center of operation.

The overall Service Initiation Managers, study participants whose involvement was limited to the course of service initiation, were expected to travel as needed to the client's center of operations. Participants reported that in their experience, "as-needed" travel might be weekly for the majority of the initiation period but, most typically, was weekly in the initial weeks of the initiation period, slowing in the middle weeks and months, and weekly again as the initiation period neared completion. Need was determined by the preferences of the client, the Project Executive, or the SIMs themselves. Sunday-Friday travel schedules could be expected and were often not negotiable. Holiday travel was fair game and work over holiday periods was sometimes preferred by the client because it minimized disruption to their operations. In the case of one particular contract, the winter holidays of Christmas and New Year's Eve and Day required around-the-clock work.

Initiation Project Managers worked primarily from their homes and so were less likely to have ever met other Project Managers in person unless there was some sort of face-to-face initial meeting at the beginning of the initiation period.

*Face-to-face meetings: A value-for-cost dilemma.* The Service Initiation Teams that participated in this study all had a face-to-face meeting to kick off their work. This is not an expectation at the Firm, even though the value of face-to-face meetings during service initiation is not contested. A discussion of this dilemma is followed by a section on tools and technologies, many of which exist as a means to facilitate geographically dispersed work.

Travel costs are often the first to be cut. This practice is driven from both a Service Initiation Team level and a Firm-wide policy level. The Service Initiation Teams are responsible for staying within a total budget and the travel expenses associated with face-to-face meetings come out of a contract initiation's total budgeted expense amount rather than from any centralized pool of funds. Travel expenses can be controlled by the Service Initiation Teams. The Project Executives and overall Service Initiation Manager will avoid even a small relative percentage of discretionary expense to save budget for unpredicted, but expected, technical and operational cost overages.

**The percentage of the actual [service initiation] budget [for a face-to-face meeting] is so small and yet you're going to get such a big value for it that it's critical. You know, percentage wise, I mean, what does that wind up being? Somewhere around 1 percent of the budget. (#13)**

At the higher policy level, when service initiation cost goes up, the overall profitability of the contract goes down. When profitability goes down, then performance targets are missed that can cascade, ultimately, to the annual salaries and bonuses of all the tens of thousands of people in the United States whose compensation is linked to the overall profitability of the Firm.

A strategy for rationalizing the cost of face-to-face meetings is to combine Service Initiation Team meetings with the initial post-contract signing client meetings. Clients sometimes have a hard time conceptualizing work being done for them without seeing the people who are doing the work. This client concern rationalizes the costs of having the full Service Initiation Team travel because there will be a client relationship benefit. These clients are comforted by laying eyes on the extended work force that is involved in the service initiation and desire geographic co-location of work teams or, more colloquially, “butts in seats.” This travel can pose a significant cost challenge to the Service Initiation Team because this client preference is typically not known or budgeted for during the pre-signing negotiation phase. In the following quote, a Service Initiation Manager describes this strategy for initial face-to-face meetings.

**The biggest thing and the first thing I do when I get everyone assigned is to get them into one physical location for at least a week or two so that they can see each other. We work day to day, we'll go out to dinner and try to get that team formation moving ... and then I will have a face-to-face with the customer team during that time period as well. So we'll meet for a good week, internal team, and then we'll try to meet sometime during the second week with the customer team for a few days. So that everyone just kind of gets comfortable and socializes a little bit and then when you call people, they know who you're talking to and what not. (#6)**

This strategy backfires when, for budget or project timeline reasons, the Service Initiation Team members cannot meet with each other prior to meeting with the client. In that case, the client can be unpleasantly surprised that the team members do not know each other or have a unified plan. It becomes clear, as the adage goes, that one hand doesn't know what the other is doing.

In spite of the known and very real cost challenges, participants consistently reported advantages to face-to-face meetings. A face-to-face meeting, the real-life “seeing” of each other, was described as critical to a sense of working as a team and “knowing” each other:

**It would be so nice if [the Firm] actually went back to people showing up in the office, working as a team and running pieces of business because then you would know the people. You could see them, you could talk to them, you could be much**

**more productive and coordinated. I would say that is the biggest obstacle I see in [the Firm] to relationships in general is that I sit in my house. I don't even see people (#6)**

In addition to increased productivity and team coordination, an initial face-to-face meeting was linked with improved flexibility and responsiveness.

**If you get along with someone when you meet face-to-face and you start talking to them, you kind of get to know each other on a more personal level. So then after we come home and we work [on the phone], we have a better idea how the other person thinks, what their perspective is and what approach we're talking about. It's easier to share and be open with issues. (#16)**

**It's just different when you've met somebody in person to when you've meet them on the phone ... my thought is always that it's much more difficult to be an ass to somebody after they've met you. (#13)**

The advantages of face-to-face meetings transcend individual benefits. These meetings provide an opportunity for more experienced group members to transfer their knowledge and experience, and for less experienced members to acquire skills. The connections that are established reach beyond the time boundaries of a particular meeting.

**If you have an experienced team, if you have one team where everybody has done this for six and seven years, you don't need everybody together. But we don't have that ... a seasoned team going out deal after deal. You have new people that don't understand the interdependency. They don't understand all the processes. They're kind of learning as they go. And even if [there are] less experienced people, I mean, it's good for them to see how these teams begin and all the activities that have to take place during startup and to see it first hand with the whole team together. I think it really sets the team on the right foot ... just experience that you gain and relationships that you build. People are more prone to then pick up the phone without feeling that [they have a] stupid question. Because they've met that person face-to-face ... you get to know the person more on a personal level then you would if the team never got together. That just is such a big benefit and I really think it lends to our success. (#22)**

*Summary of the situational context of geographic distribution.* Without exception, every participant reported that face-to-face meetings were critically important to their success.

**And so by doing those initial meetings, it's probably the best money that we spend through the [service initiation] because [that initial investment] will set the tone for the next four, five, six months. (#13)**

**You rarely get to do face-to-face meetings because all the funding has been shot [but] the face-to-face kickoff meetings are extremely beneficial. Getting to actually physically meet somebody face-to-face is almost essential [for] getting a good team relationship built. And not being able to do those [face-to-face meetings] on some [service initiations] hinders us. (#12)**

This dilemma will not be resolved without policy level changes that value face-to-face work absent any external client mandate for geographic co-location of resources.

### *Technology Tools*

This study did not attempt to inventory or specifically evaluate the many specific technologies that were used by Service Initiation Teams. The most commonly used technology tools are electronic mail (e-mail), instant messaging (IM), team rooms, teleconference lines, and VoIP/telephone. A short description of each of these technologies is included in the glossary. However, certain usages of these tools were particularly prominent in the discourse about relationship and so are included in this chapter.

Technological tools hold a featured role in the work of Service Initiation Teams (SITs) although the members of SITs are quite powerless over their design, implementation, and requirements for use. Technology tools create virtual locations where members of the Service Initiation Teams go to understand the progress of their work. It is from inside these spaces that they report and signal to one another that something is going wrong. Members of Service Initiation Teams privilege technology over human interaction by spontaneously describing their human relationships in terms of their relations through technology. In this manner, technology forms barrier boundaries between human interaction, creating breakdowns in the flow of work, and conflict between individuals.



*Project team rooms.* Project Team Rooms form a significant virtual territory within which members of Service Initiation Teams relate. Because of their technical structure, team members can access and modify files in a team room. Team rooms are intended to increase efficiency by centralizing online capabilities and to stimulate sharing and collaboration. They are typically structured with various organizing “virtual” folders. As an example, these may include project milestones, finance reports, folders by “tower,” lessons learned, and status reviews. Project Team Rooms are where relationships occur and are played out, in some cases superseding any other locale.

**The Project Team Room is the main repository. We tell the team that if it's not in there, it doesn't exist. All right? So if you don't have an issue in there, don't call me up and tell me you have an issue unless I can go in there and see it. So we make sure they put issues in there if they want help resolving those and all. (#6)**

This participant, an overall Service Initiation Manager, went on to describe that the Project Team Room was a starting point for communication that could then carry into other mediums like teleconferences and one-on-one telephone calls.

**That also helps prompt discussions on team meetings. It prompts [me] to say, oops, we've got an issue. And I call the person up and kind of find out exactly what's going on. Did they need help? You know, do we need to escalate and so forth. So it's very valuable because it documents it right up front. It does send a note to the owner. So if they say here's an issue that's for me, I'll actually get a note to go look at it. So it's pretty instantaneous that, you know, I can watch that. I get a note, I go out and look and then call the person and whatever. And it's documented there. So that tool is, is very helpful. (#6)**

This tool had clear advantages for participants, who report that they receive upwards of 300 e-mails each day. Prioritizing their electronic media messages is an overwhelming task and they count on triggers like messages from the Project Team Rooms to alert them to priority messages. Also, entries in the Project Team Rooms help them to prepare for status

teleconferences because the issues are already entered and ranked by a red-yellow-green status level. This saves time in meeting preparation and during calls.

The disadvantages were described in informal conversations with Project Managers. There is a clear level of formality that is triggered once a PM enters an issue into the Project Team Room. PMs felt pressured to describe issues in politically correct terms because the larger group would have access to viewing their description. They lost the advantage of an informal conversation that might have shaped their understanding of an issue or helped them to resolve it before it became an identified problem.

*Instant messaging.* Members of Service Initiation Teams were heavy users of Instant Messaging technologies during face-to-face meetings and reported constant use when working from other locations as well. They used IM to communicate across the matrix with the various Subject Matter Experts for their assigned tower. In one face-to-face meeting, nine members of a Service Initiation Team were in a room together and each of them had at least five IM windows up on their screen, with more flashing on their toolbars. As suggested by their flying fingers, punctuated with strokes of the “enter” key, the rate of conversation with others outside the room was more rapid and frequent than with those individuals in the room

*Telephone.* Service Initiation Teams participate in many multi-hour teleconference meetings each week; some participants reported spending 60 percent of their time on the telephone.

*I am at a meeting of the Service Initiation Team. Some people are physically in the room while others have called in. When people in the room are speaking or presenting, the*

*other people in the room make eye contact with the presenter and with each other and their keyboard use is limited. When a person is speaking via telephone, the people in the room spend more time looking at their computer screens and are keyboarding constantly. An individual on the phone was the owner of an identified problem. When this person is speaking, the individuals in the room are making eye contact with each other, rolling their eyes, working on their computers, but—although it is evident that they aren't happy with what the person is saying—they do not speak up or engage in a dialogue. When people in the room are talking, the other people in the room will sometimes overlap their conversation, interrupting occasionally to disagree or clarify a position. The person on the phone was at a distinct disadvantage, continuing to speak without any cues to help him realize he was being disregarded or ignored. (Observation of a Service Initiation Team, 09/29/2006)*

I wished I could be a “fly on the wall” (or a bunch of walls) while listening to teleconference calls in which all of the participants were on the phone, each in their own locations. What were the participants doing? None of us, participant or observer alike, had any way of knowing.

*Choosing e-mail.* Members of Service Initiation Teams make many choices daily about how they will use various communication media (e.g., telephone vs. e-mail) to support their interactions. Some choices are voluntary, others are defined by the matrix and geographic distribution.

**I work from home. So the relationships are all done on the phone, on conference calls, on same times and e-mails. And there's hardly ever a face-to-face. I've never**

**met my manager. So how you form relationships is with your voice, you know, trying to be friendly, trying to be available as the project starts up, pulling the team together. Being here [at a face-to-face meeting] is unusual for me. (#19)**

Participants say that they are overwhelmed with volumes of e-mail while also describing its' advantages as their preferred method of communication. Participants choose e-mail as a way to communicate strategically with each other while sending subtle messages using "copy sent" features.

**You know, again, trying to gain a consensus and getting to the right people and, you know, kind of doing a little bit of strategic copying, not in an escalation sense, but more in a building a consensus and building a support base. (#1)**

They report that e-mail creates a durable record of communication in a controlled tone.

**I have to be honest with you, I write as much ... email as possible and keep it very short, to the point, factual. I work really hard to take out any of the emotion out of it. (#13)**

Additionally, e-mail is used as a morale builder and a way to give positive recognition:

**But, but I have found, with the level of responsibility that I have, if you send somebody a quick note, a 30-second note and say, hey, look I really appreciate what you did, it's amazing what you can get in return. So, you know, within-, I'd say within the last day, I've sent two to three of those notes. (#1)**

*Technology enablement and disablement.* Service Initiation Teams must use certain technology tools regardless of their perceived utility. Participants reported having to use multiple tools for the same purpose because such use was required by different parts of the matrix organization.

**[You should call it] disabled by technology, I think the ability to route stuff and add approvers and everything, in some ways really complicates things. It's tough doing things here. It really is. And simple things ... it shouldn't require the complexity that they have. (#17)**

One Service Initiation Team, which had been on track with timelines and budgets throughout the initiation phase, nearly failed in their ability to assume client services because they were required to make use of a new tool, without warning, halfway through their service initiation. There was no budget for the tool, which was a pilot tool and so was in an unsupported technology environment (i.e., there are no manuals or help desk services available for troubleshooting.) In the last weeks of service initiation, the team learned that only one person knew how to troubleshoot the tool and that person was ill. The entire Service Initiation Team was distraught and angry. In this case, the overall Service Initiation Manager and Project Executive tried to avoid this crisis through communication and escalation up through the vertical hierarchy but they were unsuccessful.

*Summary of the situational context of technology tools.* In some ways, the stories in this section on technology tools are all about power. Some are about the power of technology to foster or block communication. Some are about the power of physical presence and the disempowerment of being the sole voice on the teleconference line. Some are about the power and powerlessness over media, the power to choose a particular technology device to communicate, and the powerlessness of receiving over 300 e-mails each day. The story about the new tool is a case of powerlessness—team members must spend whatever time is required to use a technology that makes their work more difficult. This story will be revisited as a part of the Dimensional Analysis.

*Grouping in Time and Space*

There are large United States cities (Chicago comes to mind) that, despite their size, seem to be a collective of small ten-block-square towns. These pseudo small towns have a sense of place and some people search them out as places to live, work, and receive particular services while others avoid them based on prior experiences or predispositions. My experience of the work of service initiation evoked this small-town feel for me. Small groups of people, staffed from small departments nested within a huge global organization, were ultimately accountable for their work. What emerged was a picture of individuals successfully and *unsuccessfully* working around the big-city barriers to accomplish their work.

**I use my network. The network of people I have within [the firm] who, you know, even though we are a very large organization, with a network of people within [the firm], we, we are smaller than it seems at times. (#3)**

*Grouping: The gap between process and practice.* The official Service Initiation Team assignment process begins before the new outsourcing contract is signed: (1) A contract that is highly likely to be signed is designed; (2) the Project Executive and Service Initiation Manager are confirmed; (3) managers of groups of Project Managers are notified and they mine databases for specific resources; (4) PMs are notified that they have been assigned to a specific contract and tower; (5) the PE and SIM are notified of the PM assignments; (6) the PMs identify Subject Matter Experts for their assigned tower. The members of Service Initiation Teams do not move, as a group, from one service initiation to the next and the PMs do not expect to work with the same people again. This process can be a painful one.

**The difficult piece for me is that every time I start a new [service initiation], I have a whole new team and people I don't know. So you're forming that relationship with the individuals and then you're forming a team. At the same time, you're trying to execute something with a very short time frame and trying to build a team between the new [service initiation] team and the customer team which they are also trying to**

**form and figure out who does what and where things are. So the beginning month or two is just ... trying to find the people, bring them on board ... tell them what they need to do. ... get that relationship going. Getting them involved in the group as a team.... So there's just huge amount of churn up front in that area before you really get nailed down and everyone understands: here's what I need to do, here's who I'm working with, let's get busy and then over time, of course, you get that relationship going. (#6)**

**Well, there's a form you fill out and then that form [describes] what services I need someone to do out of my tower. And then we put together a costing for it and then it has to be signed and then ... my organization goes good, someone's agreed to pay for it, we know what it is we need to do and here's your person and, and, wow, that took me seven days to do that and, you know, I just lost a week, or maybe seven days might be conservative. (#17)**

In contrast, participants described their hybrid practices for staffing a Service Initiation Team that acknowledge the formal process while avoiding certain negative bureaucratic downsides.

**There are times where I've built relationships with people where I can call them up and say-, I just did this today, as a matter of fact, I've submitted that form, but I need someone right away. I want to let you know I'm following your process, submitted the form, but I got a really short timeline, can you assign me someone? Here [are] the basics of what I know and we'll let the form catch up to us. That works if, if you have a personal relationship. (#17)**

The alternate practices are geared to pull together people who have worked successfully in the past.

**Some people say that violates protocol, but I don't really care because it's worked for me in the past and I just basically beg their manager. Sometimes they're available to make it happen; other times they are not. There is an individual I worked with on the engagement. He is very talented in his area and we got along really well, and I wanted him to supplement somebody that was struggling and I begged his first and second line manager and got nowhere with it. But, you know, the kicker there is if I-, if I had a personal relationship with his first or second line, I probably would've gotten what I wanted. (#2)**

**He and I worked together [in the past] and he pings me [using IM] and said, hey, uh, do you want to work on an account with me again? And I said, sure, I'm finishing this one but I don't know, I was like ... run it up the chain and see what happens.**

**And then I think he went to [a manager] and said, hey, go get [me] and she went to [another manager] and said, hey, can this guy come? And I was pinged [using IM] and asked: could you come be the [Service Initiation Manager]? (#6)**

Service Initiation Team members rely on a degree of timing, luck, and chance when they form their groups. The participants consistently leverage existing relationships to accomplish their work. This argues for the importance of understanding how relationships are formed in this context. If they're not formed they can't be leveraged.

**If you're gonna ask for someone by, by name, they need to be in the right place at the right time for you to do that. So it's not always easy to do it. (#4)**

**It's all about who you know, how well you know them and, and if they think you're a twit or not There was an incident yesterday where we needed support, critical support, and we couldn't get it from the formal channels and just because of the past relationship of somebody in this area, uh, I went to him over [IM] and 20 minutes later, he's got his manager in with me and we've got the problem pretty much nipped in the bud now. Outside the formal channels, it shouldn't have to work that way, but what this role is showing me is there's a lot of process that just does not work And without these relationships I've developed over the last umpteen years, I think I'd be struggling right now. (#2)**

A negative effect of the informal relations-based practice is that individuals who are newer to the system, those who have not yet formed relationships, feel like outsiders among individuals who have worked together in the past. References to past projects become a shorthand communication that privileges in-the-know members. First-timers feel that they do not have the same project or advancement opportunities, are not helped as much, and are not in a position to form the relations with others that they clearly need to be successful in this context. The official process, with its random assignment process, avoids some of those risks. Hybrid practices will emerge regardless of the formal processes put into place by the organization. These stories reflect how relational practices, particularly previously formed relationships, put the matrix whirling into action to accomplish the work of service initiation.



*Assimilation: I was outsourced.* When a technology outsourcing contract is signed, typically some employees—from a few to hundreds—are “acquired” by the outsourcing service provider. These individuals are “re-badged.” From one day to the next, their employment ends with the company who is outsourcing and begins with the outsourcer. Individuals are informed that they will be re-badged. The alternative to re-badging is termination. (Rarely, an individual will request re-badging. Usually this occurs because the individual sees some sort of broader opportunity as an employee of the outsourcing service provider.)

Re-badging is an important topic in outsourcing services with many interesting aspects that are worthy of additional research, most of which are outside of the scope of this study. However, two pertinent areas of re-badging that are important for relationship formation emerged from the data. The first theme is about how individuals acquired through re-badging experience a significant transition process in addition to the new work that they are assigned. The second is that employees of the technology outsourcing service provider may have preconceptions about the behavior of the employees who were acquired via re-badging.

There is an extensive orientation process for the people who become employed through re-badging. The process is an attempt to fast-track the new employee into the work culture of the outsourcing service provider. A colloquial name for this activity, which I interpret as a sort of pun on a baptism process, is that a person has been “dipped.” Not surprisingly, these individuals do not change their perspectives overnight.

**What I've found is when the company outsources and ... the bulk of the people are absorbed by [the outsourcing provider] ... there was no real feeling of being an employee [of the provider]. When I first started, I basically felt like, okay, [my new employer] was paying and I had different management, but I was still physically located in the same spot. I was still dealing with the same people, I still had the same phone number, and so there was really no identity with the [outsourcing provider] ... as an organization, the [outsourcing provider] as a team. And that was one of the hardest things to really become involved with or to understand and I**

**really didn't [understand] until I actually left the account [where I had worked before] and started working on other accounts and then I sort of felt like I was more of an employee. (#4)**

The participants who were recently acquired via re-badging experienced relationship formation with the business enterprise as a whole. Their situation suggests another layer of experience in which to explore the model of relationship formation that is described in Chapter 5.

An individual may be acquired as an employee of the service provider who, until the time of re-badging, sat across the table in an adversarial role during the contract negotiation. These experiences can be carried forward as negative predispositions.

**We're gonna treat each other as professionals because that's what we are. Does that always happen? No, it doesn't always happen. Because ... you have some folks within the organization that just don't really-, they don't really care. Maybe they ... came from an outsourced account and they just happened to move into a project management role and they don't have ... that kind of attitude, that kind of I'm going to respect my coworker kind of attitude. (#7)**

The longer-term employees valued the knowledge they and others had regarding their internal processes and failed to garner knowledge from the newly re-badged employee.

*I am in a face-to-face meeting with a Service Initiation Team. They have spent an entire day discussing the foibles of service initiation in a new client's technical environment and have openly criticized the communication skills of the new client. The SIT members did not ask the three newly re-badged employees in the room a single question or in any way acknowledge their familiarity with the environment. There were several times when the ears of one particular individual, a former technology executive at the client organization, turned the color of the ripest summer tomato. I could not interpret that physical change as a positive relational signal. This SIT appeared to fail, in this instance, to form a new kind of relationship with its re-badged members. (Observation of a Service Initiation Team, 09/08/2006)*

Re-badging practices set up all of the involved individuals for experiences of relationship formation that are not fully explored or explained in this study. However, these sensitivities are part of the noise and motion in the contextual situation and become part of the overall conditions for the dimensional analysis.

*Stuck in the middle: Pressure from the past and the future.* The Service Initiation Teams do not make their own commitments, set their own timelines, or define their own budgets. The terms of the service contract, including those that govern service initiation, are negotiated and finalized by a different group, whose members will have already moved on to the next opportunity. Once a contract is signed, other individuals, who will form the SIT, are responsible for familiarizing themselves with the terms of the contract. A “hand-off meeting” is scheduled where the group who negotiated the contract gives a series of Power Point presentations to any already assigned members of the SIT. The negotiation team attends in person; their travel costs do not come out of the service initiation budget. Face-to-face attendance by other SIT members is defined by the budget; if they can’t afford to attend in person, they are there via teleconference.

Hand-off meetings are the true beginning of nascency—the conception, if you will, of an SIT. In these meetings, SIT members hear for the first time what they have to accomplish, in what time frame, and with what budget. The meetings are long and stressful, with many moments of incredulity. The negotiation team has rationales for why particular decisions were made, usually related to final costs, but these do not completely satisfy the SIT members. One

particular instance best describes both the energy in these meetings and the space between the negotiation and SIT teams.

*I am in an initial kick-off meeting for a Service Initiation Team. The various SIT members had been repeatedly questioning aspects of the technical solution while the various members of the negotiation team were trying to explain why the contract was the way it was. The dialogue occasionally grew heated and it was clear that neither side was satisfied. Finally, after four hours of this tension, the lead of the negotiation team stood up to address the SIT. He said: "Okay. It is what it is. Mourn it" (he paused for a full five seconds) "and get over it." Service initiation begins with this kind of pressure as a background. (Observation of a Service Initiation Team, (07/31/2006)*

Service Initiation Teams also face pressures they can sense looming in the future. This occurs most frequently toward the end of service initiation. As service initiation progresses, the Project Executive focuses on forming a relationship with the client. The PE is the conduit of the client expectations into the SIT and, for the most part, is both representative of and shepherd of the broader interorganizational relationship. While active in the initiation phase, the PE is viewed as a part of the steady-state team. There is a lot of give and take and negotiation with the client during service initiation. For example, if the SIT can't keep a timeline commitment that was made on their behalf by the negotiation team, the PE might negotiate with the client to move that date, penalty free, in exchange for some concession. Those concessions take the form of additional work, accelerations of other timelines, or both. Sometimes the SITs know that the PE is negotiating and sometimes they don't. If the PE promises the client something, the SIT must fulfill that commitment.

**I've noticed with the steady state team that ... sometimes we do get punched back from the steady-state team. Being that they basically say they can't deliver at, at the solution cost or it's something that's not possible. So a Service Initiation team's relationship with the engagement and the steady state team is ... we're kinda stuck in the middle. (#16)**

In the case of one Service Initiation team, the PE's negotiations resulted in the completion time for the most complex aspect of the service initiation being accelerated by 50 percent of the total time and the technical aspect of the service switch was moved to fall during the winter holidays. This SIT spent Christmas and New Year's together.

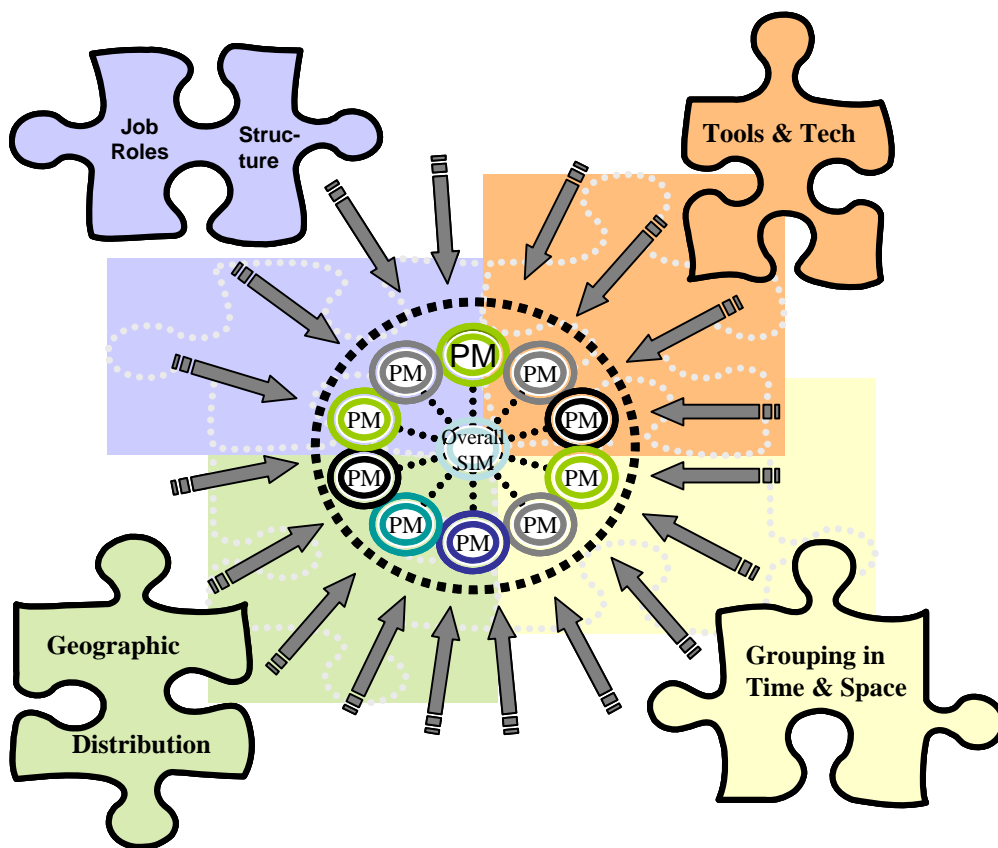
*Summary of the situational context of grouping in space and time.* Breakdowns in service initiation are often blamed on the negotiating team. In turn, breakdowns in early steady-state delivery are blamed on the Service Initiation Team. Our research team began to call this phenomenon “indicting backwards” to describe how it is always the previous team's fault that things aren't as they should be in the present. The pressures of time are unrelenting during service initiation.

#### *Summary of Situational Analysis*

The situational analysis describes five context areas that are particularly relevant to the dimensions of relationship formation. These areas, highlighted in Figure 13, include (1) *Job Roles*, (2) *Structure*, (3) *Geographic Distribution*, (4) *Technology Tools*, and (5) *Grouping in Time and Space*. The participants in this study operate in a continuously shifting puzzle of situational elements while holding a specific in-common relation: Their employer cast them together to accomplish the tasks of outsourcing service initiation.

The situational analysis is intended to paint a picture of challenging conditions that direct pressures on small, short-term, non-repeating work groups during service initiation. The analysis

brings forward those aspects of the situation that create the context, or supporting structure, for relationship formation. This analysis is intended to give the reader a sense of constant change, movement, and pressure. The words and figures are static on the page. Imagine them as spinning in space and possibly, in a brave moment, flying at your head. This is the experience of Service Initiation Teams.



*Figure 13.* The puzzle of situational elements.

The next section presents the results of the Dimensional Analysis. The dimensions of relationship formation are introduced and discussed as building blocks for the conceptual model that appears in Chapter Five.

## Results of the Dimensional Analysis

This portion of the chapter presents the findings of the dimensional analysis. It is structured in three sections. The first section introduces the central dimension: *Relationship formation as a Vehicle for Accomplishing Work*. The second section provides a brief overview of each of the four dimensions of the analysis: *Helping*, *Veiling / unVeiling*, *Having Expectation*, and *Responding to Turbulence*. The third section introduces an explanatory matrix for each of the dimensions. Each of the elements of the matrices is described and instantiated with quotes and examples from other data sources. Conditions for the matrices are presented in groupings that align with the language of the situational analysis. The situational analysis is, in this way, both anchored and pulled through into the dimensional analysis.

### *Central Dimension: Relationship Formation as a Vehicle for Accomplishing Work*

Relationships form during service initiation in response to the everyday realities of accomplishing work. Relationship, from the perspective of this study, is not one thing. Instead, it is constructed by the participants as a cluster of determinants or attributes that come together in a relational structure. Consider this string of elements, all resulting from the same question: What does relationship mean to you?

**It really means interacting with them, how I relate to them, how I work with them ... am I comfortable dealing with them? Is it easy? Is it difficult? Do I have to explain things in great detail to them? Can I just give them an overview and we're on the same wave length and so we understand where we're going? That type of work stuff. (#4)**

**The ability to communicate effectively, express yourself to them and be open for them to give you feedback and to express what they need of you. (#14)**

**I look at skills, relationships and knowledge base in how they relate with other people... skills and negotiations and teaming. (#3)**

**It's a professional trust and respect for each other ... we are going to treat each other as professionals because that's what we are. (#7)**

**Effective communicat[ion], teaming, knowledge, adaptability, those types of things. (#18)**

**It is trying to build a friendship. Uh, you know, or some sort of a personal connection with people. (#9)**

**I would have to say- would be that they would understand, um, the way I work and I understand the way they work. (#6)**

**It really means interacting with them, how I relate to them, how I work with them. How I deal with them. How we deal with each other. (#4)**

### *Identifying the Relational Structures*

Thematic commonalities emerged in the words and ways that participants spoke about and enacted their relations. I refer to these as relational structures because they support some intuitive recognition of relational behavior that was not discussed among the members of the Service Initiation Teams. The relational structures are negotiating and communicating. Communicating is seen as an intersection between listening and articulating characterized by a two-way exchange between persons or between persons and technology tools. The relational structures and their role in relationship formation is described in more detail with the conceptual model in Chapter 5.

*Off-centering relational structures.* Scholars of organizational relations have created inventories of aspects or determinants of relationship (Dyer & Singh, 1998; Fjermestad & Saitta, 2005; Gottschalk & Solli-Saether, 2005; Henderson, 1990; Kim & Park, 2002; Oliver, 1990). This study does not aim to generate yet another one. While clear thematic commonalities were identified among the few individuals who were part of my study, in naming the relationship



structures, the divergence in the structures that is amplified by their interactions with other elements of the dimensional analysis is lost (These interactions are made clear by the conceptual model in Chapter Five). Multiply these divergences by hundreds of individuals and it becomes clear that defining the particular determinant aspects of relationship is not as important as understanding the conditions and strategies by which individuals recognize that a relationship has formed and is generating value in their daily work life. For my study, the words people use to describe a relationship are not as critical as the co-construction of understanding among parties to that relationship. This co-construction is relationship formation.

#### *Summary of the Central Dimension*

Relationship formation is a vehicle for accomplishing the everyday realities in the work of service initiation. I found that the relational structures of negotiating, listening, and articulating were themes commonly voiced by the participants in this study. However, the relational structures, alone, do not signal relationship formation. The strategies and processes that lead to the consequence of relationship formation emerged from the dimensional analysis: (1) *Helping*, (2) *Veiling / unVeiling*, (3) *Having Expectation*, and (4) *Responding to turbulence*. A reciprocal dialogue exists among these dimensions that forms a grounded theory of relationship formation in this situation. The conceptual model is presented and discussed in Chapter 5.

*Introducing the Dimensions*

This section briefly introduces each dimension to foreshadow some future landmarks for the reader. Each dimension will be discussed in detail, with explanatory matrices, later in the chapter.

*Helping*

*Helping* is a dimension between people as well as between people and technology. Helping emerged as an emic code because participants frequently used the word to describe the strategies and processes of engaging or not engaging in various relations that help others accomplish work. The strategies and processes may be conscious or non-conscious (e.g., the designers of technology tools did not purposefully design them to be *unhelpful* and tools do not have the sentience to fail at the worst possible time, no matter how much it seems that they do!). These unhelpful moments were observed as the shadow side of Helping. Although it's infrequent, it is important to name this manifestation because of the pivotal role that Helping holds among the other dimensions. The presence of Helping is a signal of relationship formation.

*Veiling / unVeiling*

The value of relational structures showed up in discourse as the way participants in the system worked together to identify and solve technical problems. What the Service Initiation Teams discussed together and described in interviews was technical success and process implementation rather than whether the ensemble successfully worked as a collaborative unit to accomplish its work. Relationship, and the process of relationship formation, was situated behind

a veil of techno-business lingo. Here, a participant describes how she knows that a relationship is effective.

**I have talked to them and I can know immediately if a ... person has read our documentation or not because there's always certain keywords or buzzwords or something that's associated with a particular deal. Through the conference calls, through the vehicles that we have and the way that they present and argue their issues, or frame their questions, you know, you can get a sense on if they've got a grasp of what we're trying to do. (#18)**

This is an instance of *Veiling*, an etic code I assigned to describe the situation where the language of contract interpretation and argumentation are privileged over relational structures. Behind the veil of legitimacy lies the implication that it is possible for one person to recognize, out of hundreds of pages of text, key or buzzwords that are important to another person without any contextual help. It assumes that during a conference call, without visual cues, a person would correctly select the right words and nuances to make an argument that would be “right” for the other person. The *Veiling* of relational structures is a barrier to relationship formation. In contrast, when participants engaged in *unVeiling* strategies, the impact was increased synergy and efficiency.

### *Having expectations*

*Having Expectations* is a pervasive dimension in relationship formation. Expectations are attached to every aspect of the organizational structure and threaded from the enterprise (e.g., shareholder expectations) to the individual level. Expectations are stated and unstated, conscious and sub-, un-, non-conscious. Expectations shift over time and vary according to place. Participants have expectations of other people and of technology. Having Expectations is an etic code, a name I chose to capture the several ways that expectations manifest.

As an example: Participants have expectations about how relational structures like communication, negotiation, friendship, trust, professionalism, and respect can be recognized in action. Participants enact, or do not enact, strategies and processes that make expectations visible. When these strategies fail, their failure leads to misunderstanding and negative perception. These consequences are a barrier to relationship formation.

The dimension of Having Expectations nurtures strategies that were also identified by participants as defining relationships (relational structures)—the strategy of negotiation and a range of communication strategies (e.g., telling, listening, providing examples, selecting media, providing feedback).

### *Responding to turbulence*

*Responding to Turbulence* is an etic code I chose as a cache for the dynamic set of conditions, described in the situational analysis, that are the setting for relationship formation during service initiation. This dimensional matrix highlights how strategies differ by role.

### *Summary of the introduction to dimensions*

Figure 14 is a dimensional map that contains many of the elements that were described in the situational analysis. It highlights the emergence of *Responding to Turbulence* and includes themes that are later dimensionalized as conditions and strategies in the explanatory matrices. It also shows the emergence of the relational structures from the overall context. These structures are named negotiation and communication. Communication is conceptualized as the combination of articulating and listening.

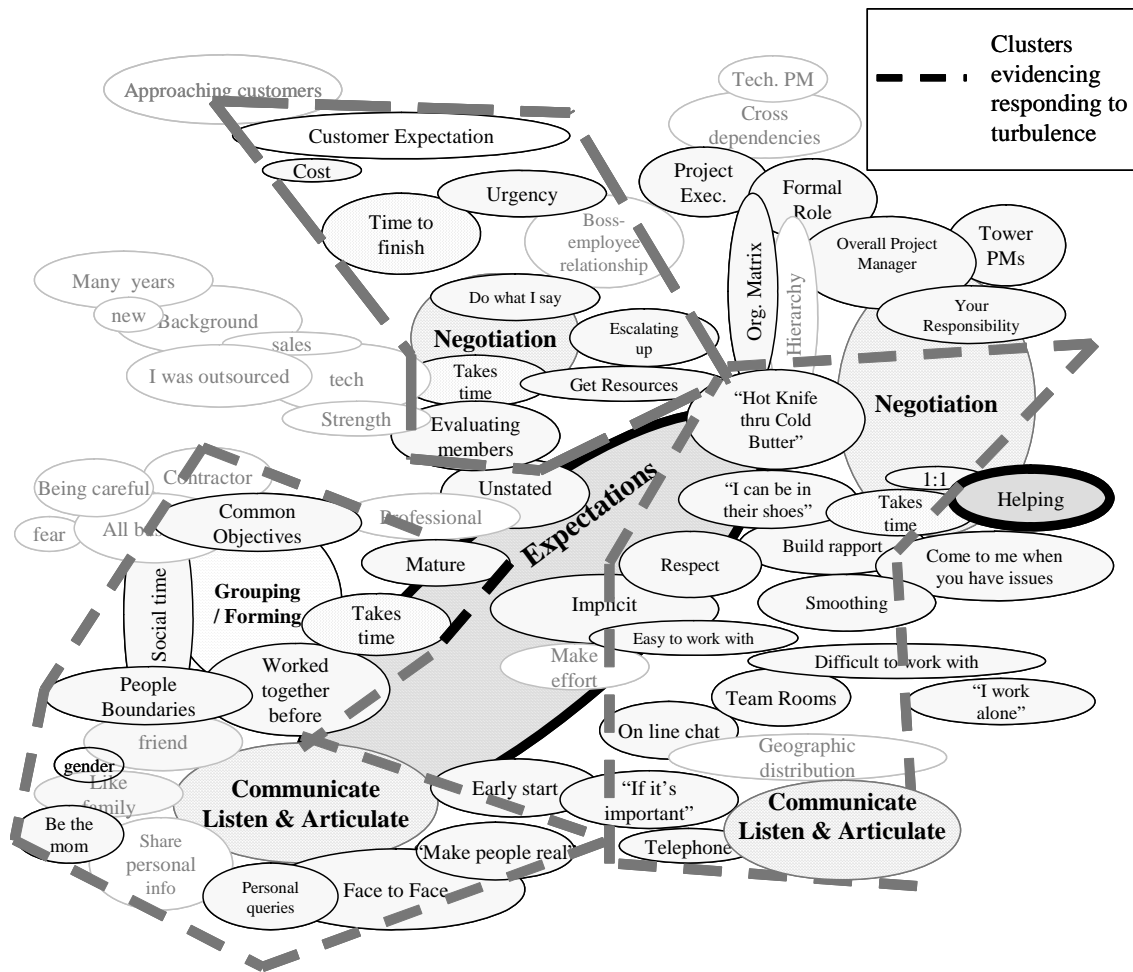


Figure 14. Final map: Situational contexts, dimensions and relational structures

*Dimensional Analysis and Explanatory Matrices*

The next sections discusses in more detail the four primary dimensions: (1) *Helping*, (2) *Veiling / un-Veiling*, (3) *Having Expectations*, and (4) *Responding to Turbulence*. Explanatory maps are introduced to explicate the individual dimensional models. The interrelationships and connections among dimensions will be discussed in Chapter 5.

*Dimension: Helping*

The dimension of *Helping* is concerned with the strategies and processes of engaging or not engaging in relations that help the team members accomplish work. Helping bridges other dimensions of relationship formation and appears as an indicator that a relationship is formed in the context of a service system nascency. This section describes each part of the explanatory matrix of helping. The conditions for helping are organized in six groupings, five of which are explained in more depth as part of the situational analysis. These are job roles, structure, geographic distribution, technology tools, and grouping. The descriptions for these conditions are supplemental and point to the specific ways that these aspects manifest for this dimension. A sixth condition category, people, was created to highlight a condition for this dimension that is specifically about the individual. The conditions are followed by a description of the strategies and impacts.

The matrix appears in Figure 15, (Definitions for each part of an explanatory matrix appear in Figure 5 in Chapter 3)

*Condition helping: Job roles.* The overall Service Initiation Manager is a relational hub for the Service Initiation Team (see Figure 12). There is an embedded expectation that the person in this role is there to provide help.

*Condition helping: Structure.* This condition blocks Helping by placing heavy administrative burdens on members of the Service Initiation Teams. As is discussed in greater detail in the situational analysis, the matrix structure and its associated processes and tower interdependencies are time consuming.

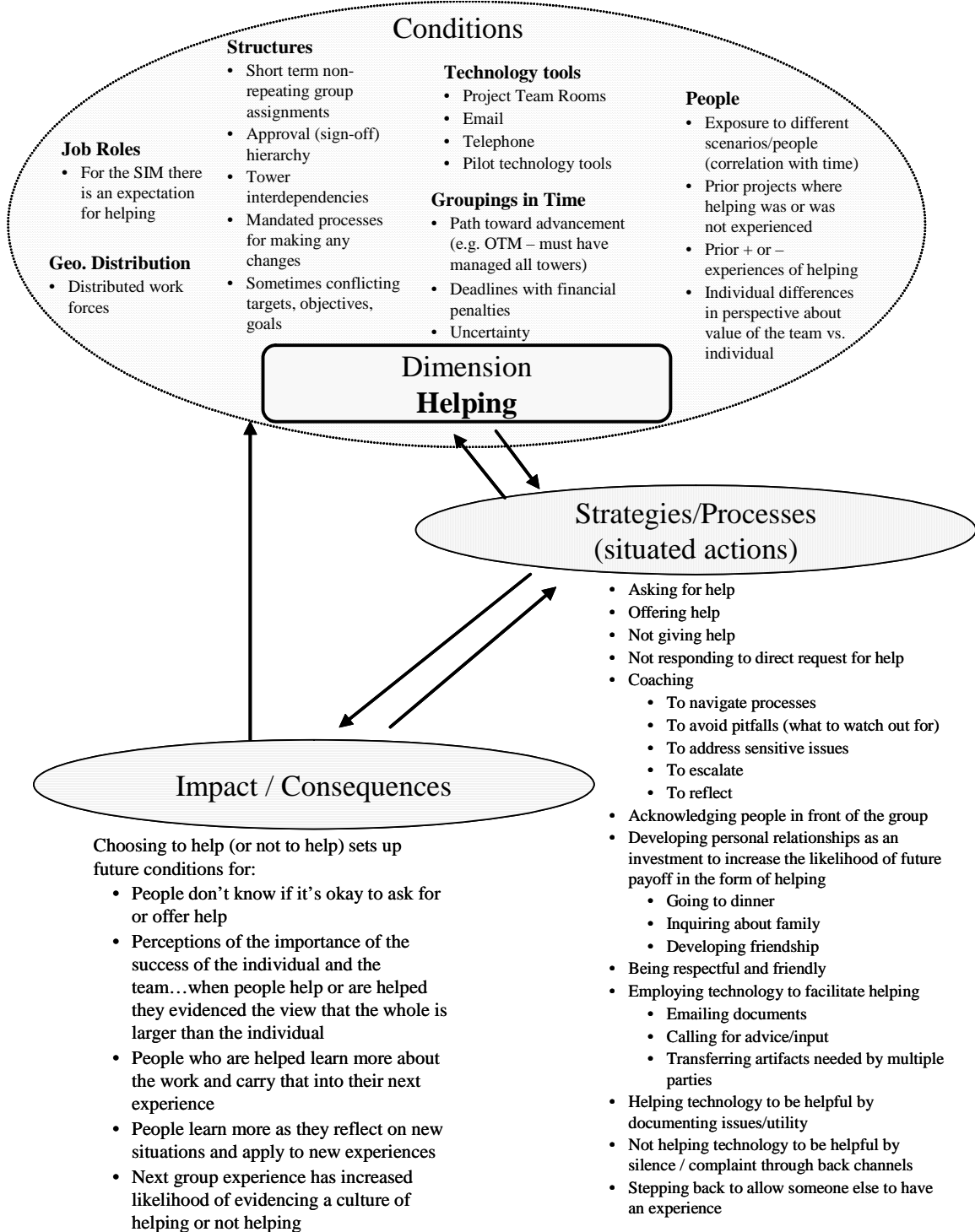


Figure 15. Explanatory matrix of Helping.

*Condition helping: Geographic distribution.* This condition blocks Helping when there is no opportunity for an initial face-to-face meeting.

*Condition helping: Technology tools.* Participants report that technology tools both facilitate and block this dimension. Team Room technologies facilitate Helping by automating routine tasks. They can block Helping when team members perceive their use as mandatory and not helpful. For instance, e-mail blocks Helping when it is used as a deflecting mechanism to avoid direct difficult (but resolving) voice-to-voice conversations.

*Condition helping: Grouping.* Helping is shaped by the career path of Project Managers who are interested in becoming Service Initiation Managers. Time pressures, deadlines, and the uncertainty of the technical service initiation roll-out can block Helping as individuals hold on to their personal spoke of the wheel. Under time pressure, there is a decreased likelihood that individuals will initiate Helping strategies.

*Condition helping: People.* Past personal experience and preferences shape individuals' Helping strategies. Helping strategies were present when people had prior experience where Helping was part of the way they worked. Our research team identified a personal behavior that we named *joint breakers*. Joint breakers were individual people who consistently applied strategies that veiled Helping strategies (the opposite of relationship formation). There seemed to be reasons why people became pre-disposed to being joint breakers including conflicting commitments, feeling pulled in too many directions, their positioning in approval processes, and



time pressures. Joint breakers were few in number – but their influence was a strong barrier against relational work.

*Strategies/processes: Helping.* The strategies and processes for Helping are listed in Figure 15, above. These strategies were observed in face-to-face and teleconference interactions, and spontaneously emerged from interviews.

Multiple strategies were leveraged to overcome conditions that block Helping. In this instance, a Service Initiation Manager acknowledges the blocking barriers formed by time and technology, offers help, coaches the best way to get help, includes technology to facilitate Helping, and signals the need for the Project Manager to be proactive in seeking help.

**I'm often extremely busy and have a very tight schedule ... I do get buried in meetings quite a bit and it seems like I'm unavailable but I ask that you come to me or you send me a note or you call me personally if you feel that there are issues or problems that are occurring that we need to talk about and don't let my schedule scare you away. Because if you look at my calendar, you'll see it probably blocked, um, you know, ten hours of the day. (#10)**

In another instance of multiple strategies, an individual asks for help and concurrently works to develop a personal relationship. This strategy overcomes blocking conditions and leads to positive consequences.

**At the beginning, [I was] frustrated with this guy. He's a screw up, he doesn't know what he's doing, get outta my way. His attitude was: I really don't know this thing, can you help? And at that point, I'm like, oh, boy, ... and as a team player, what do you say? No? So he used to call me at four or five o'clock in the afternoon just to chat. So then we started having those kinda personal conversations and then he started asking me things about the [service initiation] and, and, and I think I opened up a little more then and I wasn't as critical of him ... what happened was he built a personal relationship with me and once you build a personal relationship, it's hard to be critical of your friend. You try to help your friend to ensure they succeed. (#15)**

Individuals are aware that fostering personal relationships is a strategy for getting the help that they will need to accomplish their work.

**[It is good to be] sharing something of yourself so you're not just asking someone to put themselves in a awkward position and you're not willing to do the same ... trying to make them comfortable with talking with you so they're not going to be on edge. If all you do is call them when there is an issue then they always have a certain way they behave or they react when you're asking them for some attention or some time. So instead send good morning e-mails or good morning little [IMs] to see how things are going. Ask them if there's any assistance they need getting things together. If they've run across a problem and they just need somebody's feedback, offer time like that. (#14)**

**If you had a good relationship with someone, they might be willing to go out on a limb or go the extra mile to help you get some work done in a pinch or a deadline. (#9)**

Assistance in navigating the organizational structures, particularly the time-consuming activity of hierarchical escalation, can help to overcome blocking.

**If he's running into problems that he needs escalated and he needs to get some focus on, then I help him out there. There, there are times where [we faced] this dumb rule and so [he] said: what do I do? I said, well, I'll take care of that. So I was able to run interference with them, and [then he can stay] focused on driving his project and leave all the escalation stuff to me to drive and help him out. (#15)**

Coaching is a particular manifestation of *helping* that seems to apply to help given from a more senior team member with the purpose of navigating some difficulty. In the following research memo I describe Helping as coaching.

*In a face-to-face setting, a more senior Service Initiation Manager was sitting next to a new Service Initiation Manager who was navigating a difficult and contentious situation. The new Manager, evidently angry, was typing rapidly on her keyboard. She stopped and turned her screen for the other Manager to read. They had a quiet conversation in which he validated her frustration and then suggested some edits to the e-mail that might increase the likelihood of resolving the problem. By this point, she no longer appeared*

*angry. They laughed together about the situation and she edited and sent the e-mail. The senior manager was allowing the less experienced manager to have the experience of a contentious problem, then he used coaching as a strategy and helped her to overcome the blocking condition of an angry e-mail. (Observation of a Service Initiation Team, 12/27/2006)*

Another Initiation Manager described a similar instance of helping as a coaching strategy.

**So the person that was doing that area was not experienced ... so basically I just did some coaching [with] a couple examples of how you might want to approach this and how you might want to talk about this and, and just coaching them in some of the techniques and the appropriate timing of doing that. ... it's again just make sure that the way you talk to or the way you approach the person is correct and that you guide them a little bit [with] mentoring. Right? It's just experience level more than anything. Sometimes people have to coach me [laugh] ... but it's not very often. (#10)**

*Not Helping* came up spontaneously in interviews. I also observed in some cases that people did not help when it seemed that they might have, based on instances of Helping I had observed. This was particularly true of the individuals holding the role of Project Manager. The participants identified several reasons, all linked to blocking conditions, why Helping did not happen. These are summarized here in order of commonality.

(1) People were too busy with their own responsibilities to help another.

**I often find that I have to ask my team: can you give [the other team] a call and make sure that they understood the instructions? Make sure that they got it. If they have any questions you know, help them out. And my team would say, well, that's not my responsibility; mine ends here. (#17)**

(2) People were working in their own tower, did not share any project plan dependencies with other individuals, and had no subject matter expertise to share.

**All of the individual towers are becoming hedged down in their own individual tasks and not so focusing on, hey, how you doing? Hey, how you making out? You know, so, there's not a lot of interaction going on interdependency wise. (#20)**

(3) People had past experiences where they helped and ended up being “stuck with” extra work or “blamed for” problems that were not their responsibility.

Another manifestation of *not* Helping came up spontaneously in conversations about technology tools. This was one of the few areas where participants voiced caution when offering opportunities for improvement.

**I gotta be careful how I answer this. The tools take a lot of time. They're very good tools. But, like I said, we need a full-time project planner person to track all these plans and make sure they're all up-to-date ... so the tools are great and it takes a huge amount of time, though, to take care of those. (#6)**

**It's unnecessary brain power. Because it's repetitive information. If we're producing a project plan and we're updating the project plan on a weekly basis, why extract information out of the project plan just to put it in a different format? But, again, I understand the value. Does it kill me to produce it? No, it doesn't kill me to produce it, but is it an unnecessary evil? Yes, to me, it is. It's an unnecessary evil. But, well, that's, that's par for the course. (#20)**

Two female participants described the dimension of Helping in particularly evocative terms.

**I've got Jiminy Cricket, your mom, and Bo-Peep all wrapped up into one job. So I nag, I nurture, and I shepherd. (#8)**

**I'll catch them on [IM]. I'll say: don't forget such and such. I'll pick up the phone and call them. I don't do that all that often, it's hard to get people on the phone nowadays with the number of conference calls that we do. ... I'll just shoot them a note and say don't forget such and such is due at such and such a time. ... Before I was outsourced and I realized that what I was doing was project management, before I realized it had a name to it, I used to call it being mother. My husband will always say, well, what do you do? I said, well, dear, I said, you know, it's like being mother. You make sure that the kids have what they need to do to get their job done. They know what they need to do and that they play nicely in the sandbox together ... it's basically the same thing if you've got a kid. You know [that some] you can tell to do something and it'll get done. You just tell them to do it once and they do it. You have another kid who needs to be reminded all the time. I think using mothering skills is very helpful for a Service Initiation manager. [pause] We don't want to be sexist, we'll call it parenting skills. (#4)**

These descriptions are interestingly gendered, or at least parental, providing food for consideration about the dimension of *gender of Helping* for future studies. In the meantime, overall Helping, as a behavior and a core condition of relationship formation, was an equal part of the discourse for male and female participants.

Figure 16 is a positional map of Helping. The positional map draws an analytic tool from the situational analysis into the dimensional analysis to codify the major positions and perspectives on Helping that were stated or observed. The map identifies missing positions in the situation as a way to view the spaces and silences in this dimension. Its utility was to surface and understand the polarities of discourse on Helping without privileging any particular position.

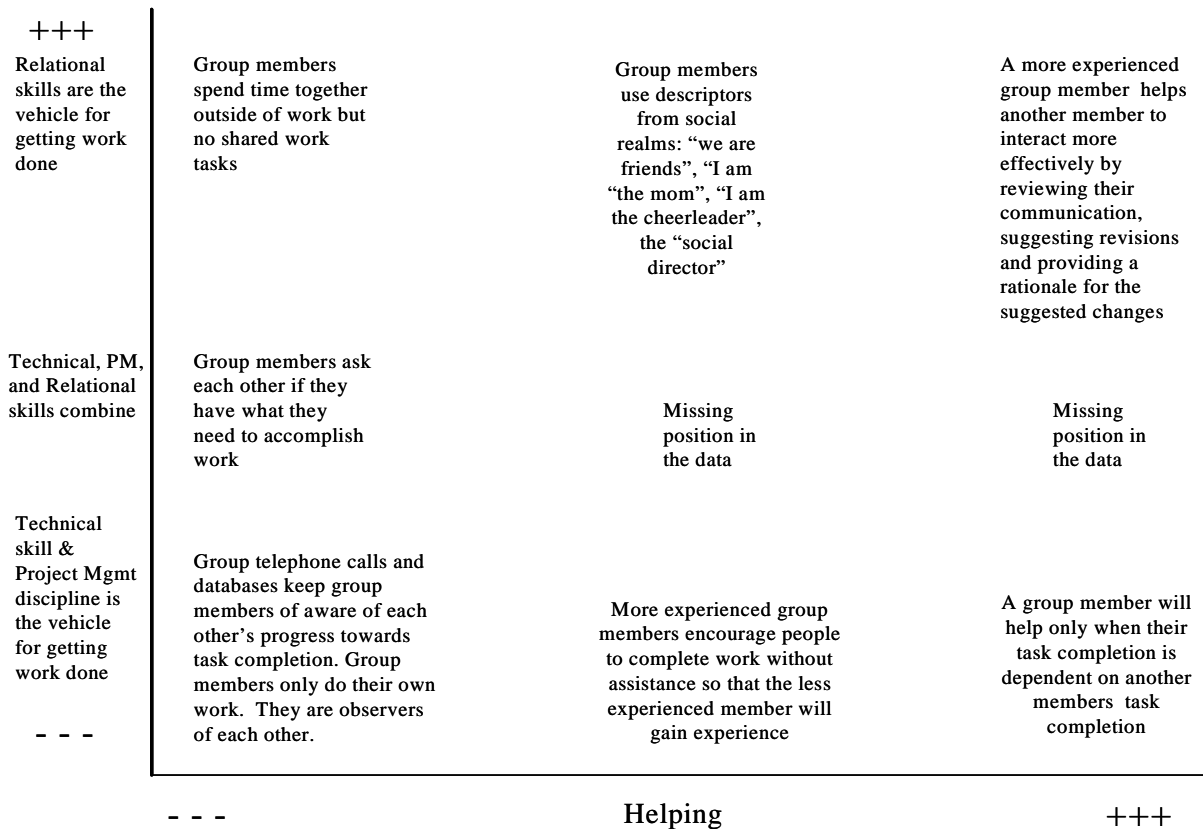


Figure 16. Positional map: Relational/technical/project management skills.

*Impact/consequences: Helping.* The intended consequence of Helping, as the core condition of relationship formation, is that Helping is a prime connector among people and between people and technology. These durable connectors transfer knowledge, improve morale, and transcend the duration of any given service initiation activity. When that connector is established, a durable relationship is formed that transcends the short-term and non-repeating structures that are conditional barriers to relationship formation.

When Helping backfires, either through the creation of blame or additional and overwhelming work, it sets up a negative cycle, a negative predisposition against Helping is repeated from project to project and relationships as vehicles for accomplishing work do not get formed.

*Dimension: Veiling / unVeiling*

The dimension of *Veiling* deals with the way the technologies and processes of service initiation become the language and focus for Service Initiation Teams. This centering has created a symbolic identification that has taken over and permeated the organization to levels where the aspect of relational power and structure is obscured or veiled. In some instances, Veiling is opaque and as a consequence individuals interact in ways that are counter to natural courtesy. In other instances, veiling is diaphanous: Participants report that “relationship is everything,” while the everyday realities of person-to-person and person-to-technology relations are obscured by discourse about technology and project management. In a few instances, the relational structures are fully unveiled. *UnVeiling* strategies include spatial and temporal conditions linked to actors’

proximity to the interorganizational relationship (service provider-client) and to the service initiation time structure.

The following section describes each part of the explanatory matrices of *Veiling/unVeiling*. These are manifestations on the spectrum of a single dimension and are described together to avoid any implication of a binary relationship. However, the dimension is expanded in two matrices to make the differences in conditions, strategies, and impact more evident. The explanatory matrix for *Veiling* is shown in Figure 17. Figure 18 shows *unVeiling*.

The conditions for *Veiling/unVeiling* are organized in seven conditional groupings, five of which are explained in more depth as part of the situational analysis. These are *job roles, structure, geographic distribution, technology tools, and grouping*. The descriptions for these conditions are supplemental and point to the specific ways that these aspects manifest for this dimension. Both the *Veiling* and the *unVeiling* matrices include dimension-specific conditions. The *Veiling* matrix includes the conditions of *client* and *culture* and the *unVeiling* matrix includes the conditions of *client* and *people*.

This study does not propose that relationship is in some way preeminent over technology and process: The people and technologies are assembled to accomplish the work of service initiation. Instead, the exploration of these dimensions, by way of the explanatory matrices, serves to shine a light on the veiled, but also very important, structures that support work.

*Condition veiling / unveiling: Job roles.* Service Initiation Team assignments are short term and the teams' members do not expect to be assigned with the same individuals again. This condition shapes and blocks group member interaction and results in the unintended consequences of *Veiling*.

The job role condition of Project Executive shapes different actions and results in shades of unVeiling. The job role of the PE is not short-term. The PE is expected to have strong relationship skills as he or she is responsible for and focused on forming the interorganizational relationship. PEs are required to participate in education and training that is focused on the relational strategies with which they are expected to govern the interorganizational relationship. These include negotiation, effective communication, and decision-making. In my observations, the PEs used Veiling strategies when the client's requirements conflicted with timelines and demands on the SIT. The PEs were seen to slide smoothly along the continuum of Veiling behaviors: applying unVeiling strategies with a client and, within minutes, Veiling (sometimes called "smoothing" by participants in this context) with the SIT to avoid short-term conflict and difficulty. In these cases, the PEs ultimately faced the unintended negative consequences of Veiling, notwithstanding their training and experience in alternative ways of working. Face-to-face meetings facilitate unVeiling strategies

*Condition veiling /unveiling: Structure.* Tower organizational structures shape the daily routines of service initiation work to reduce dependencies. This condition facilitates Veiling.

In the Service Initiation Team context, people and technologies are not measured on their ability to facilitate, communicate, listen, or respond. This condition, along with the silence of targets and performance measures of relational structures, facilitates Veiling and is linked to the condition of *Technology Tools*. As an example: Project Team Rooms are a central repository for reporting project status and projects are assigned to red (at risk or troubled), yellow (under watch), or green (on track) status. In contrast, there are no status dimensions that represent the relational health or functioning of the group; a project can be at green status in the midst of



tremendous conflict and crisis. In this way, the Project Team Room becomes a space where relational structures are veiled.

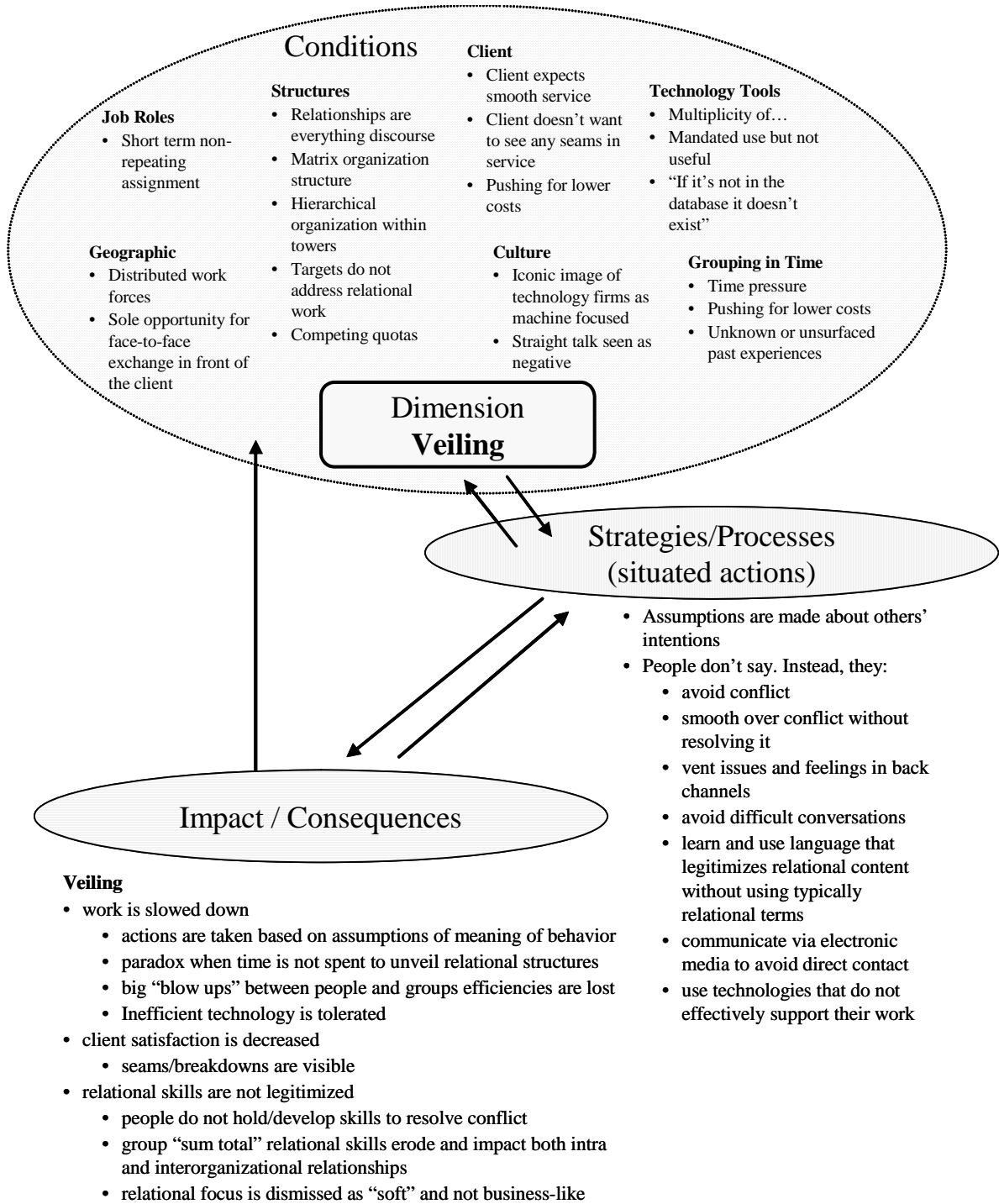


Figure 17. Explanatory matrix of Veiling.

*Condition veiling /unveiling: Geographic distribution.* Geographic distance, particularly in combination with other conditions that reduce interpersonal familiarity, is a facilitating condition for Veiling.

*Condition veiling /unveiling: Technology tools.* Members of Service Initiation Teams seldom, if ever, can influence the tools given them for day-to-day use. This condition shapes the

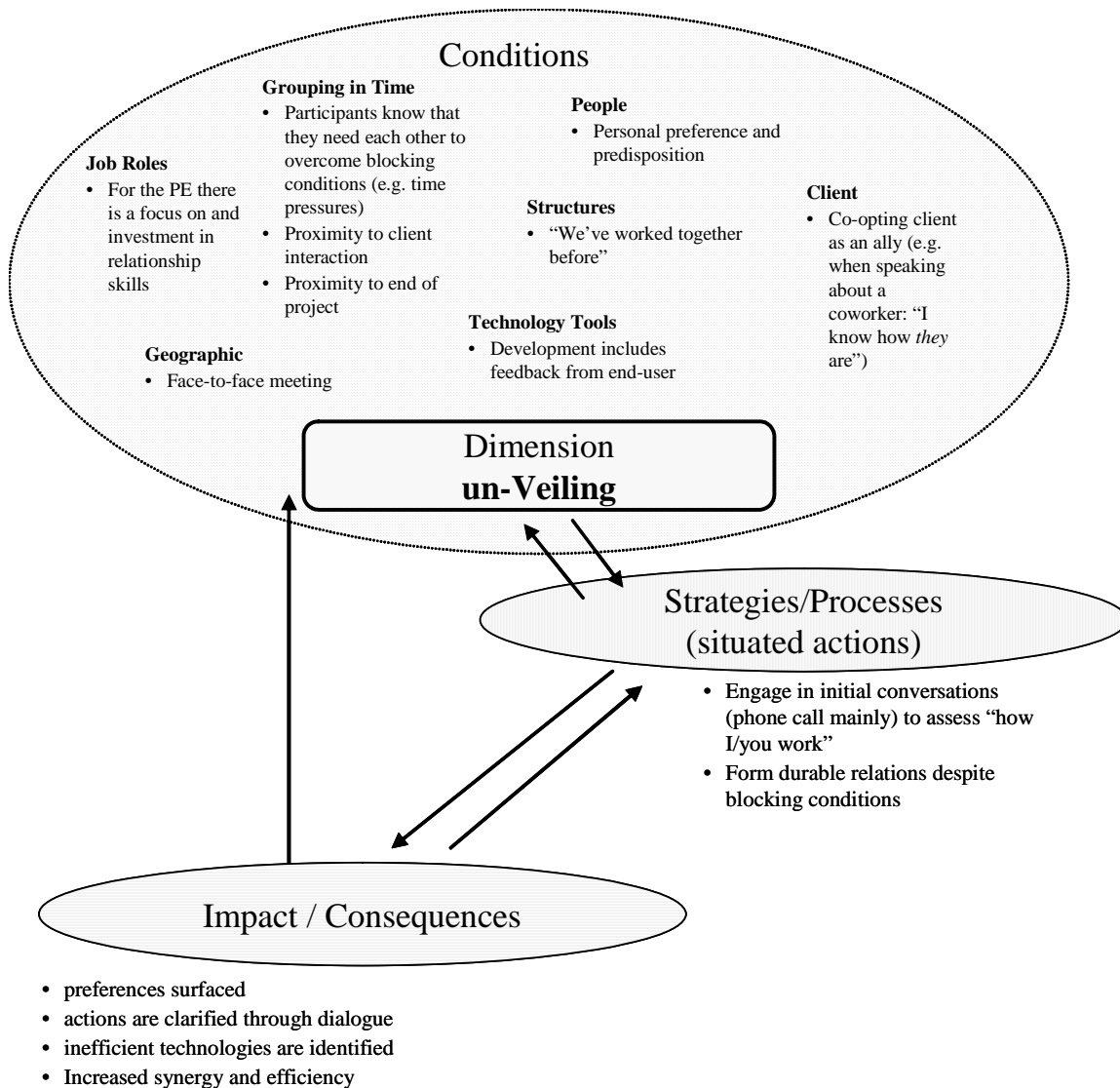


Figure 18. Explanatory matrix of unveiling.

utility of the tools and veils human knowledge and experience that could improve the technologies.

Individuals who raise frequent concerns about the value of the technology tools can become the identified problem in a service initiation group. In this regard, the condition is linked with the condition of *culture*. When technology problems are veiled, the unintended consequence is usually work inefficiency.

*Condition veiling /un-veiling: grouping.* Accelerated and sometimes unrealistic deadlines create time pressures that shape interactions among individuals and between individuals and technologies.

Newly re-badged individuals are expected to quickly assimilate into the service initiation groups. The established members don't mention their history and the re-badged individuals don't volunteer it. They don't contradict or voice offense when their former employer or work group is criticized.

It is reasonable that people are urgently focused on the work at hand, talking and acting through those challenges. An unanticipated consequence is the Veiling of relational structures which, if not attended to, erode the functioning of the group.

Two temporal/spatial conditions facilitate unVeiling strategies. First, participants who worked in greater proximity to the external client interface spoke more about having relationships that helped them accomplish work and about the value of relationship. Second, Service Initiation Team members talked more about relationship at the end of the initiation phase. This was a sort of apogee for their tenure as a group, the point at which they had been together the longest but were anticipating dissolution. These two conditions occurred at the same

time for some Project Manager members of the Service Initiation Teams. It was not possible to understand which condition facilitated the more powerful unVeiling strategies. However, the condition of greater proximity to the client may have been the more powerful because this condition could be present for the longer period of time.

*Condition veiling /unveiling: Client.* The client expects “smooth” service and does not want to see the “seams” of service initiation. This condition facilitates Veiling of gaps and conflicts between the Service Initiation Team, the Project Executive, and the client. The Veiling extends to the behind-the-scenes work of service initiation as members of the SIT begin to veil bad news from one another.

The client constantly pushes for lower costs while members of the Service Initiation Teams veil the impossibility of delivering to expectations at lower costs. This condition is related to the condition of *culture*. The “can-do” attitude, veiling the reality of delivery obstacles, leads to unintended consequences where seams and breakdowns ultimately become more visible to the client.

*Condition veiling /unveiling: Culture.* The skills that are identified as important, based on discourse and such artifacts as skills assessment checklists, are technical in nature or related to project management. Relational skills are either not assessed or are referred to dismissively as “soft.” In a veiled culture, people “don’t say.” They avoid conflict, work back channels, and use technologies to avoid difficult conversations. This condition shapes Veiling interactions that lead to the unintended consequence of reduced synergy.

*Strategies/processes: Veiling / unveiling.* The strategies and processes for Veiling and unVeiling are listed respectively in Figures 18 and 19, above. These strategies were observed in face-to-face and teleconference interactions, and spontaneously emerged from interviews.

At each face-to-face Service Initiation Teams kickoff meeting, the overall Service Initiation Manager led a short presentation about team functioning. In these presentations, the Managers itemized the responsibilities of the team members. The focus was on project management structures, the timing and use of technology to provide updates, and proper channels for contacting the client. There was no dialogue about relational structures, those aspects of working together that these same individuals would tell me constituted relationship. Instead, people were left with the strategy of making assumptions about others' behavior.

**Yeah, oh, yeah. We have a section on communication. ... what's appropriate, what's not, we do it more... how are we gonna do that to the customer. I, I think, we're pretty brutal internally in communication to each other. But we stress professionalism and standards of conduct to the customer. You know, when dealing with the customer. We need to do that [within our group] more. But we don't talk about that during team kickoff meetings either. We don't say what's appropriate or not for [us]... You know, us, to us. #22**

Complex project management structures are a process for Veiling relationships. Some participants say that if you put enough structure around a group, "relationship" will happen.

Veiling strategies leave a lot to individual assumption.

**Uh, but we don't worry too much about how are we doing with our internal relationships, everyone just kind of assumes that everyone's going to get along and that everything's going to work out well and that we're all happy. So we all kind of have to be responsible for doing that ourselves because no one's going to initiate that for us. It's up to us individually to do that. (#7)**

Participants talked about relationship and the value of relationship when they talked about meeting face to face; they didn't use the word "relationship" very much in other contexts.

The Veiling strategies showed up when people talked to me and to each other about problems, negative feelings, and breakdowns in the flow of work. They did not name those issues as relational challenges, although they were made up of dimensions that revolved around relationships. I would hear about the failures and frustrations of relational structures, but these were not legitimized through the situation. As a strategy, people veiled their concerns and held to a short-term view.

**I did task management as a project manager and I didn't care about the relationship. I'm like, dude, just get the job done and get out of here. I don't have time because service initiation is a short schedule. (#15)**

**So I think I've recognized that long term, you do need to build relationships. Short term, I could care less 'cause by the time I've built a relationship with you, you're gone to the next project anyway, so I knew that and I said I could care less about building a relationship. I just need to get the job done. (#16)**

Participants veiled the importance of relationship formation between the Service Initiation Team members. In the following example, a participant became defensive when I was exploring how he had experienced face-to-face meetings.

**I would travel up to [that city] because [the Project Executive] told me this was the first time he had the luxury of having [a finance person on the] account that knew the cost case so well. So any financial questions he had, I could answer in a minute. He didn't have to wait for anything. So I think he liked that but it added a lot of work to me. ... It wasn't travel just to be with him, it was for the entire Service Initiation team and to build a relationship with the customer. So the, the main purpose was to build a relationship with the customer, get to know them, help them out, all that kind of stuff. A lot of people traveled up there and I was one of them. (#2)**

People use language that legitimizes relationship without using the word “relationship” or offering details on relational skills. In this example, the participant uses the word “mindset” to imply a veiled list of critical characteristics.

**We have a skills database that people- the team will go out and look for people that meet those skills. But we won't just accept what's in the skills database because in that skills database people can just say that they have [top level skills] across the**

**board. But then I have to look at them to really test their ability to see if, through the probing process, whether or not they really do have the right skills and the right mindset to be on a project. (#3)**

This is an example of how Veiling and unVeiling can exist in the same process. On one hand, the participant uses the Veiling strategy of talking about relational skills by describing the use of a database and using alternate language. At the same time, the participant evidenced an unVeiling strategy—engaging in conversation to assess how a person works and to establish a sense of fit.

The value of relationship showed up in dialogue when individuals talked about spending time together in casual conversation. In these examples, people talk about understanding relational expectations and establishing relational structures but veil this by labeling the activities as casual and fun, rather than “business-critical,” interactions.

**It's often during the break, during lunch, during dinner that you tend to have these kind of casual conversations. But then it's also just sitting in the same room with them and, and hearing how they ask questions and, you know, the kind of information that people press for, to sort of help you get a baseline for where the people are and how-, where they're coming from. (#4)**

**Let's all take ownership, let's all kind of have a little bit of fun in this as well and let's get the job done. You know, no boundaries. It's like, we all have a job to do and, and if you see something that someone else in the team may have missed [then] speak up. ... That's how we learn. (#22)**

In the first example, the concept of relational work is valued but not voiced as an expectation. In the second example, there is an unveiled request for people to speak up, a request for boundary-free communication.

*Impact/consequences: Veiling / unveiling.* Participants attribute project breakdowns to lack of communication and misaligned assumptions. They assume that people are not

professional, skilled, or helpful because they do not take the time or have the skill to negotiate through what those terms mean. They save time in the short term but suffer the unintended consequence of big “blow-ups” between people and groups where efficiencies are lost.

Veiling strategies slow down the pace of work by leaving issue resolution to chance and personal comfort-levels for potential conflict.

**As you get to know a person you feel more comfortable with each other. I think a lot more of those [problem work issues] come out and you can have discussions about that. Sometimes you don't have that discussion for ... it could be a month or two, but, you know, it just depends on the individuals and, uh, the conversations and if they want to bring it up. Sometimes I'll bring some things up if I see issues or problems, but otherwise, you know, it's typically something we bring up as we get to know each other. (#10)**

In contrast, unVeiling strategies overcome blocking conditions, leading to increased synergy and efficiency.

**Without relationships outside the matrix to get things done, and it's not just me, when I run into a brick wall, the Project Executive has great relationships [too]. ... So we're exercising and taking advantage of all those past relationships to get things done because the matrix just doesn't work. Or it does work, but it's so slow. It's just too long. So we're kind of circumventing that when we need to get things done. (#2)**

*Summary of dimension of veiling / un-veiling.* People and technology work together to veil relational structures. From a three-tiered analysis, on the first level, the Project Team Rooms are not designed to use relational structures as signifiers for success; the structures are not included in formalized metrics. On the second level, the team members, when they engage with the relational structures, will still say in group forums that a project is at green status even when they know that there is trouble. On the third level, from the outside-in view of a given Service Initiation Team member, it seems as though the machines have taken over the relational structures and silenced them. Extended teams and executive decision-makers make evaluative



determinations and take actions based on the output of machines that summarize what was designed into them to be signifiers of value.

*Dimension: Having Expectation*

The dimension of *Having Expectation* is about the ubiquitous swirl of expectations that abound in service initiation, expectations that create conditions, drive strategies, and have consequences for relationship formation. The following section is a description of each part of the explanatory matrices of Having Expectations (Figure 19).

The conditions for *Having Expectations* are organized in six conditional groupings, five of which are explained in more depth as part of the situational analysis. These are *job roles*, *structure*, *geographic distribution*, *technology tools*, and *grouping*. The descriptions for the conditions in this section are supplemental and point to the specific ways that these aspects manifest for this dimension. In addition, the Having Expectation matrix introduces the condition named *people* to highlight those conditions that are more specifically about the individual.

*Condition having expectation: Job roles.* The formal job roles minimize cross-dependency.

*Condition having expectation: Structure.* Project Managers work in towers that are isolated from the rest of the Service Initiation. The organizational structures themselves imply expectations about doing types of work that adhere to the vertical tower structure.

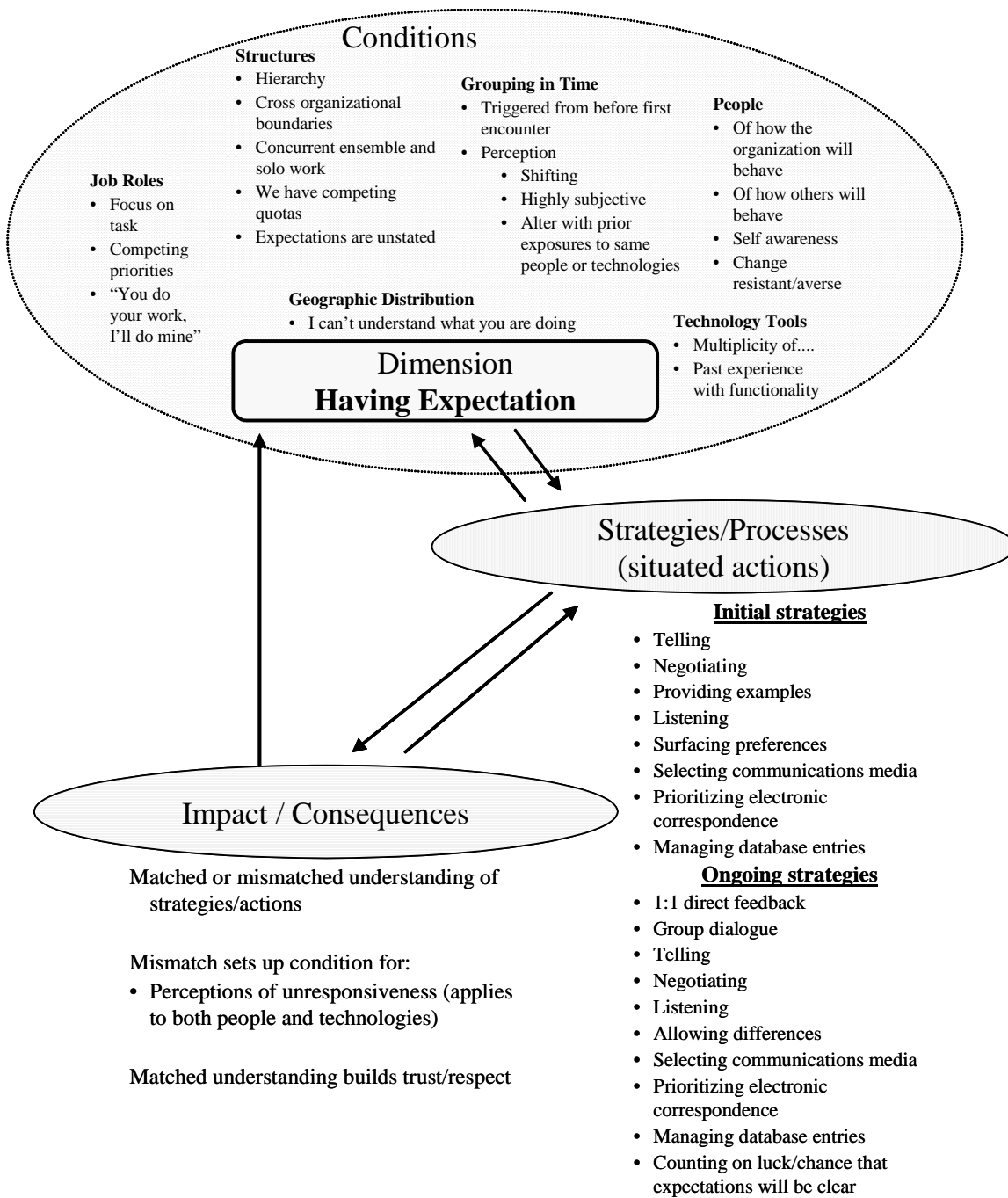


Figure 19. Explanatory matrix Having Expectation.

*Condition having expectation: Geographic distribution.* Service Initiation Team members work from home offices that are often in different time zones. They have expectations for themselves and the flow of their workday as well as expectations about how other group members will engage in work

*Condition having expectation: Technology tools.* People have expectations about the usability and reliability of technology tools. They consider themselves expert in the use of technology tools and expect proficiency from their peers; they also expect that technology tools will be adequately supported.

People have expectations about standards for technology tools. These involve a level of support from people as well as other machines. Tools are designed with an expectation about end-user knowledge.

*Condition having expectation: Grouping.* Individuals have predispositions about each other and about technology tools that carry forward from prior experiences. As groups come together and have experiences their expectations about each other and about the technology tools that they are using. Expectations are triggered before the first encounter, are highly subjective, and alter over time.

*Condition having expectation: People.* People have expectations about how individuals, their group, other groups, and the organization as a whole will behave and react to their actions and the actions of others. These expectations guide their strategy choices. People's behavior may be so habituated that they cannot self-reflect to understand the expectations that are imbedded

within their behaviors and reactions. Even if they can identify their expectations, people vary in their ability or willingness to articulate their expectations in an open forum.

*Strategies/processes: Having expectation.* The strategies of the explanatory matrix for Having Expectation emerge from the conditions in which the groups come together and work to accomplish their ongoing tasks. Strategies evolve from the conditions of job roles, structures, and individual preferences (people) and are geared to understand veiled expectation.

**You have to understand how they think ... understand how they work. (#4)**

In the following quote, a Project Manager describes the challenge of choosing a strategy in an environment of both client and peer expectations. He introduces the evocative strategy of “working with ... through ... and for others”.

**So you have this assignment that has been given to you with a new contract that is required of us. At the same time you also have this internal challenge of understanding the people on your side of the fence and how you're going to interact with them and how you're going to get things done through and for them and how you're going to get things accomplished. And so ... these, these outsourcing agreements are certainly a challenge from that, from that perspective. You know, in that you're working to, to start satisfying and pleasing this customer and, at the same time, you're trying to figure out who the heck this guy is in the cube next to you and, and what their role is and how you're going to get things done and who you contact for this or who you contact for that. (#7)**

In my observations, strategies for stating expectations ranged from unilateral (“I will tell you what I expect”) to more collegial styles. There are limited structures that guide the strategies for Having Expectations and they are left to individual practice and surface on a project-by-project basis; they may be passed on by oral tradition.

**So he specifically gave me direction as to what to complete, what to get done before making the escalation so you're not just sounding like you're someone pushing a problem onto management. (#14)**

*Impact/consequences: Having expectation.* Mismatched expectations lead to perceptions of non-responsiveness. As an example, people described having different habits for managing their Team Room entries and e-mail responses. One person responded to e-mail constantly as it arrived; another responded to e-mail twice daily. The person who responded constantly didn't know how to interpret the lack of immediate response from the second person. What was initially interpreted as lack of respect was, in fact, a reflection of the second person's work practice. When this difference in practice was expressed as an expectation, the two individuals were able to negotiate and the negative perception was resolved.

In another example, a Project Manager described an instance where a particular person was quick to respond by e-mail when she was at one location but then didn't reply when she was at another location. The PM had developed an expectation for a certain response rate and when that suddenly changed, she didn't know how to interpret it. She wondered: Was this due to a conflict? A problem? Or was the person simply not responding?

In another case, a participant described mismatched expectations as evidence of "rogue autonomous behavior."

**We are in the depths of confusion and chaos. I can think of a dozen times where [that group] just doesn't show up. This is really a challenge and the multiple locations don't help. Could you just make my job any harder?" (#13)**

An impact of mismatched expectations is that people can be quickly labeled as not performing, and then precipitously removed from the Service Initiation Teams. The time

pressures of service initiation create a condition where Initiation Managers cannot afford to take a chance with an uncertain resource.

**One of the things I have noticed about service initiation is the tendency to take people out if they don't fit exactly ... and so we'll go replace them and I think that that's not a good thing. Because, unless they're really not performing, right? 'Cause there's, there's too much of a get rid of 'em fast, um, as opposed to steady state where's the figure out what's going on and either give people a option to either fix it or realize that your perception might have been wrong. (#21)**

Trust and respect are important aspects of this dimension. In the following quote, a Project Manager was describing his interaction with a Project Executive who did not participate in team dinners or make “small talk.” The Project Manager experienced the Project Executive as aloof and attributed this to a lack of trust.

**You don't get a sense that you're trusted. And in those kinds of situations I try and make sure that I document the things that I do and that I communicate properly with the things that I do because you just sense that because you're not trusted that if you don't do those kinds of things, it can come back and bite you at some time later. (#7)**

In contrast, a matched understanding of expectations builds both trust and respect. The following quote describe trusting as beginning with the “benefit of the doubt.”

**There are people who you meet for the first time in a [Service Initiation] and you very quickly have to develop a rapport with them and try to develop that trust very quickly because you know, you have critical and very timely needs. What's worked for me is treating people with appropriate levels of respect ... Giving them the benefit of the doubt in a lot of situations. (#1)**

*Summary of dimension: Having expectation.* *Having Expectation* is a complex dimension of relationship formation. Its aspects flow from a constellation of conditions in the sometimes opposing realms of the organization and the personal: Highly structured organizational expectations blend with or bump up against deeply subjective expectations. Expectations come from the complexity of the matrix and from time pressures to identify and release subject matter

experts, to participate in technology pilots, to complete all reporting requirements, and to appreciate the sensitivities of problem escalation. Expectations are held at all levels, from the Project Manager who works on the service initiation each day to the most detached Executive who will only review a quarterly report. The matrix of Having Expectation holds the strategies of negotiation, communication, and listening that participants have identified as relational structures. Participants count on luck and chance for assurances that expectations will be known, understood, and matched. This series of questions, asked by the most senior and experienced Service Initiation Manager who participated in the study, sums up the unknowns that result as a consequence of Having Expectation.

**How does one communicate respect for one another, whether you agree or not? ... How are we all going to be synergized to meet a goal? How do we interact? You know ... is it picking up the phone, is it [instant message], is it e-mail, is it all the above? ... How do we interact civilly with one another? (#22)**

*Dimension: Responding to Turbulence*

The dimension of *Responding to Turbulence* captures the dynamic set of conditions, described in detail in the situational analysis, that are the setting for relationship formation during service initiation. This dimension is meant to call attention to the constantly changing dynamics of this situation. Relationships begin to emerge as binding connectors relative to the turbulent context. This dimension introduces strategies that differ by role. The following section is a description of each part of the explanatory matrices of Responding to Turbulence (Figure 20).

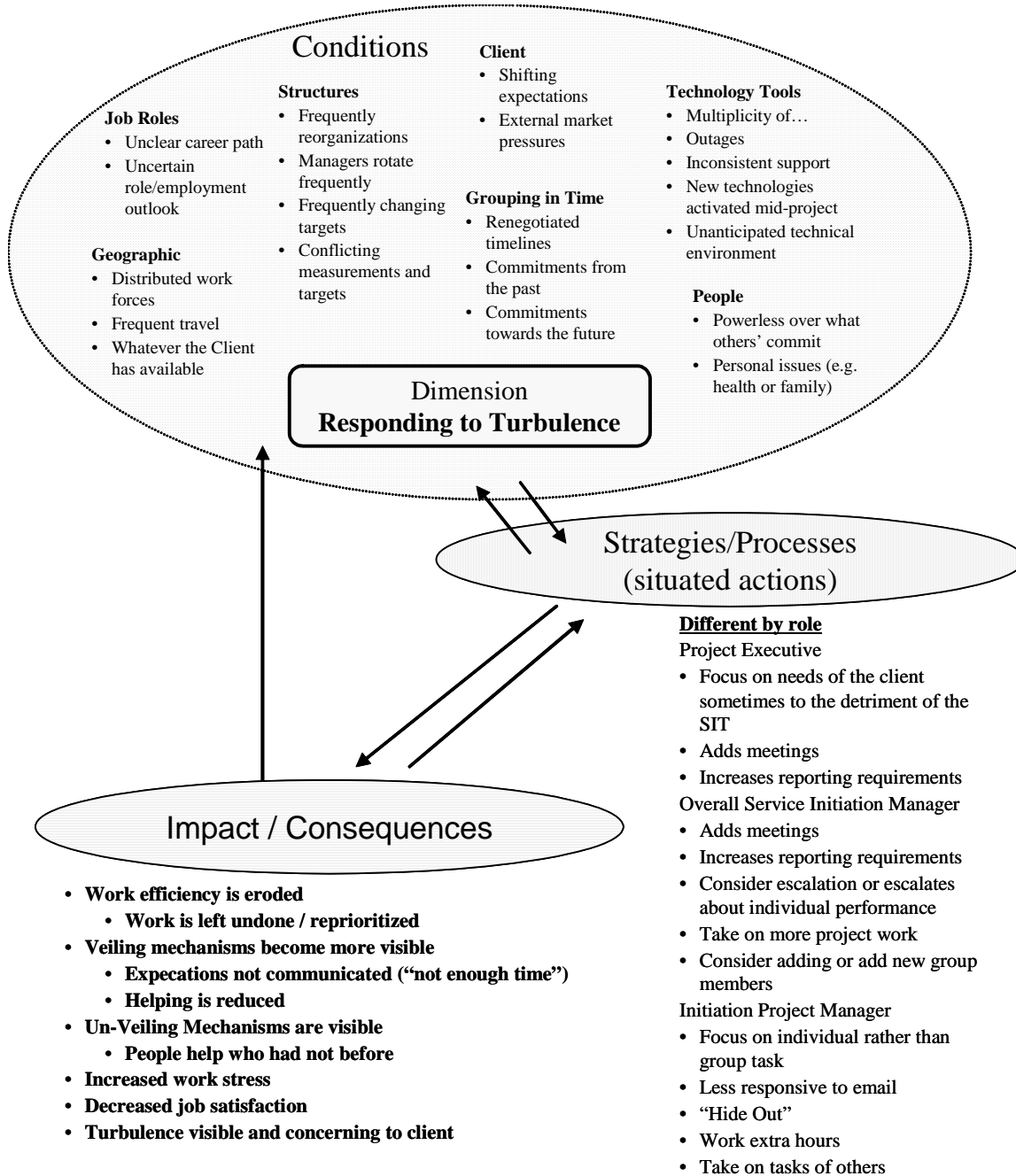


Figure 20. Explanatory matrix of Responding to Turbulence.



The conditions for Responding to Turbulence are organized in seven conditional groupings, five of which are explained in more depth as part of the situational analysis. These are *job roles*, *structure*, *geographic distribution*, *technology tools*, and *grouping*. The descriptions for these conditions in this section are supplemental and point to the specific ways that these aspects manifest for this dimension. In addition, the Responding to Turbulence matrix includes conditions of *client* and *people* that are specific to this dimension.

*Condition responding to turbulence: Job roles.* In order to be assigned as a Service Initiation Manager, a person must have performed as a “tower” lead for every tower involved in a service initiation. However, being a SIM is not defined as a career path. Project Managers who wish to become Service Initiation Managers must signal their interest to their human resource managers. Many Project Managers are not in the least interested in becoming SIMs. There is a shortage of Service Initiation Managers because the job is perceived as thankless, painful, and not highly compensated.

*Condition responding to turbulence: Structure.* During the period of data collection, two major reorganizations affected the participants in the study. People managers typically rotate into new jobs every six months as they ascend the ranks of management. These structural conditions leave Project Managers without consistent management anchors. Measurements and targets change at multiple levels of the organization, often conflict, and can change more than once each year.

*Condition responding to turbulence: Geographic distribution.* The participants in this study work remotely from each other or they travel frequently. Both are difficult conditions. When they travel to the client site they are forced into, and must accept graciously, whatever physical space the client has available.

*Condition responding to turbulence: Technology tools.* Service Initiation Teams cannot select the technology tools they will use and are vulnerable to support provided by other, less invested, groups. Outages, although entirely out of their control, reflect directly on their skill levels and service quality. New technologies are implemented in the midst of service initiation and “no” is not an answer. The technology environment is central to the work that is being accomplished yet, at the same time, is highly unpredictable and volatile in this phase of service delivery.

*Condition responding to turbulence: Grouping.* Timelines can be renegotiated by the client, the Project Executive, and the Service Initiation Manager. Commitments from the past in the form of the contract, and commitments from the future in the form of escalated timelines and expanded service commitments, exert pressures on the Service Initiation Team.

*Condition responding to turbulence: Client.* Client expectations shift frequently. This causes conditions of turbulence that make their way through the Project Executive to have an impact on the Service Initiation Team. The client, in turn, is reacting to external market pressures, including their outsourcing decision. The client expects seamless service in the midst of conditions of turbulence.

*Condition responding to turbulence: People.* People experience a sense of powerlessness over what others commit, over technologies, over the expectations of others, and over the conditions of their work life. Unanticipated personal matters arise, including health and family issues that add intensely real uncontrollable turbulence at the individual and group level.

*Strategies/processes: Responding to turbulence.* The strategies for Responding to Turbulence differ by role. The Project Executive, focusing on the client's needs, employs strategies that are sometimes to the detriment of the Service Initiation Team. When turbulence increases, the Project Executives will add structure in the form of meetings and reporting requirements.

Overall Service Initiation Managers, as complex overall project managers, add structure in reaction to increases in turbulence. They also have the challenge of determining strategies for escalation. As individuals, they generally choose to take on more project work themselves or, if the budget allows, will lobby to add additional group members.

I observed that Project Managers use one of two strategies in reaction to turbulence. (1) They pull inward to focus more particularly on their own "tower," become or are perceived to become less responsive, and seem to "hide out," with a less visible instant message and e-mail presence; or (2) They take on tasks of others and display the strategies of Helping. In either case they may be, in actuality, working more hours to accomplish work.

The individuals and technologies that participate in service initiation are ideally flexible and can be proactive and responsive. One Project Manager described herself as being like a dentist.

**“You don’t wait for a toothache”. (#4)**

The experienced participants acknowledge turbulence as an expected given.

**It is difficult to meet all the different objectives of [service initiation]. ... I've never really gone into a [service initiation] and felt like my chances of success are really great and, I, I've started to accept that. You know, I've seen enough where I, I go, oh, they've-, they left out ... this or they were way wrong on that number. It doesn't quite surprise anymore. I've started to expect this. (#17)**

*Impact/consequences: Responding to turbulence.* Consequences can be difficult and damaging when Service Initiation Teams and Project Executives do not employ effective strategies to respond to turbulence. The unexpected can get in the way of effective delivery.

**We're successful when the situation fits what we're prepared to provide. (#4)**

The work of service initiation is about solving problems within the situational context of turbulence.

**So the [service initiation period] is really about like fixing the problems that are left behind and then implementing what we could. (#16)**

*Summary of dimension: Responding to turbulence.* The situational turbulence in service initiation is a given. The sources of turbulence vary constantly and are often outside of the control of the members of the Service Initiation Teams. When relationships are formed, they create structures that help individuals to be more resilient when Responding to Turbulence.

#### *Summary of Situational and Dimensional Analysis*

Relationships are a vehicle for accomplishing work in a turbulent environment. In turbulence, the relational structures can be *unVeiled* to become an area that individuals and

groups can control. Helping emerges as a consequence when the strategies for *Responding to Turbulence* are adaptive.

**[The Firm], as we know, is all about relationships. It's all about building personal bridges into organizations and bypassing red tape and the most successful people will know how to work themselves through that system. The best metaphor I can think of is, you know, kind of the proverbial knife through butter, right? So if you're doing it through hard butter, you know, it's gonna be tough. If you're doing it through soft butter, it goes easily. Or if the knife is hot, then the butter can be hard and it can still go through, right? So [the Firm] is probably like hard butter and the person you want for your team is kinda like the hot knife. And, and they can basically cut through all the difficult-, the bureaucracy, the red tape, the process and, and do what's right in the end without doing things to compromise the important business conduct guidelines that we all agree to. (#1)**

The findings of the situational analysis create a backdrop and setting for a period of intense human and technological effort that is complex, dynamic, and high risk. The explanatory matrices of the dimensional analysis describe the dimensions that constitute indicators of the concept of relationship formation. Together, dimensional and situational analyses provide the building blocks for the theoretical model that is presented in Chapter 5.

The findings of this study are intended to have practical use for technology outsourcing service providers. The matrix and maps tell an explanatory story that can be considered, reconsidered, questioned, or accepted as credible. The story that is created becomes a foundation that can inform business strategy and decision-making.

To this point, the dimensions have been described as differentiated components. Chapter Five will integrate the dimensions into a conceptual model for understanding relationship formation as a vehicle for accomplishing work. This model is grounded in the experience of Service Initiation Teams in technology outsourcing during the nascency of a new service exchange. Chapter Five also includes a discussion of systemic contextual challenges, study

limitations, implications for leadership and change, and implications for practice and future research.

## CHAPTER FIVE: DISCUSSION AND IMPLICATIONS

This final chapter is structured to bring the findings of the study together as a grounded theory for relationship formation and present them as a conceptual model. The chapter begins with a short summary of the study to weave together the divided territories of the prior four chapters. Following the summary, the chapter introduces and describes a conceptual model for relationship formation. The model is the expression of a grounded theory of relationship formation and is an organizing device for continued dialogue about the dimensions of relational work in this context to demonstrate how they can be integrated and set into motion. Next, the chapter moves next into a discussion of two systemic contextual challenges in this situation. The first is a discussion of a shadow side of Helping that is not frequent but important to name. The second systemic contextual challenge is an exploration of the potential impact of iconic images on relational work. Limitations to the research are presented at this point. The chapter then moves into implications for practice, with a focus on leadership and organizational change, and concludes with implications for future research.

### Summary of the Study

This inquiry into relationship formation began with an interest in the relational work that takes place inside an outsourcing service provider and a deep curiosity about how this relational realm might differ from the more usually explored domain of interorganizational relationships. The meanings of relationships and the role they play in value-creating work are quietly contested. Their structures are veiled within the stories, symbols, and rituals of the organization,

group, and individual. I endeavor to turn up the volume and accelerate the thinking and dialogue about this relational realm and about relationship formation in particular.

This study is specifically bounded by time—the first months of a new outsourcing contract. This is in contrast to other studies of outsourcing relations that plunge into the middle of things without particular sensitivity to temporal dimensions. In reality, outsourcing contracts have beginnings, middles, and ends. The people involved in this work call these life cycles. To ignore life cycles is to adopt a sort of “insert-miracle-here” perspective that is unheard of in other fields where life cycles matter. Imagine if people were born at adulthood: forget that long gestation, painful messy birth (nascency), and annoying adolescence. People don’t develop that way and neither do technical outsourcing service relations. Like people, relations in service systems come into their full being over time. This study looks at nascency—the first months of new service initiation, during which a group of people and technologies are assembled from various non- or loosely connected parts to begin a service project.

Relationship formation is a means by which people and organizations establish a service system—systemic connections among people and between people and technology that support co-creation of value. There are other means to this end: relationship is not the sole framer of “value co-creation” in outsourcing service systems. Other important means are the elements that you would find in any good business school (e.g., sales, marketing, economics) played out in concert with the technical capacities that a service provider must have and “get right.” I acknowledge these and gently push them from the center of this study. Yes, these means are important and they get a lot of “air time.” A finding of this study is that relational dimensions are important, *too*.



Empirical studies tend to describe “business relationships” as prescribed sets of explanatory characteristics or determinants. These characteristics form a sort of heuristic formula by which an organization might measure their relationship-ness. I had imagined that a similar heuristic might emerge from this study, one that would be specific to the nascency of relationships within a service provider. This proved not to be the case. Instead, what emerged was an understanding that relationship formation depends on a *way* of recognizing and honoring the power of relationships in their role of supporting the everyday tasks of service initiation. As a result, this study does not strive to define relationship as “one thing” or even a group of things. Instead, it proposes a conceptual model through which relationships are formed and can be recognized as such.

The dissertation report is organized around five chapters. The following section reviews the preceding chapters to set the stage for the conceptual model and discussions that make up the remainder of Chapter Five.

### *Summary of Chapters*

Chapter One states the purpose and overarching questions of the study. This study was proposed to add to the understanding of the dimensions of relationship formation in technology outsourcing services, grounded in the experience of the service provider. The study was conceived as an empirical building block toward a more holistic understanding of the very complex arena of intra- and interorganizational relationships within service systems. Chapter One introduces the language of *service* and *service systems*. “Service” is defined as a system of transformative relationships with the purpose of producing value (Gadrey, 2002; Maglio et al., 2006). Chapter One also introduces the underlying perspective that outsourcing service providers

are a subsystem of the broader interorganizational service system and have internal (intraentity) structures in which value is co-produced. Chapter One also includes an overview of the research methods that is continued in greater depth in Chapter Three.

Chapter Two reviews the often disparate literature that, in combination, begins to form the discourse on relational work in the context proposed by this study. The areas of literature reviewed in this chapter are services research, outsourcing research, studies of interorganizational relationships, and studies of relationship formation. This chapter makes use of, but does not resolve, a set of very different ontologies. This chapter did not develop a taxonomy, although that effort would be innovative and useful (Star and Holloway, e-mail personal communication, June 28, 2006). This literature review makes the critical point that this study addresses two gaps in the empirical literature about outsourcing relationships. First, it focuses on the experience of the service provider and second, it highlights the temporal dimension of relationship formation.

Chapter Three describes the grounded theory methods and analytic processes of dimensional and situational analyses. The chapter provides definitions, with a supporting figure, of the elements of the explanatory matrix as a cornerstone of dimensional analysis. The specifics of sampling and data collection are discussed. The study was focused on the outsourcing service provider during a contractually defined period of time called Service Initiation. The study participants were people and technologies who constituted the Service Initiation Teams. As is the standard business practice of the hosting firm for this study, all of the people were United States-based employees who, with very few exceptions, were strangers to one another at the time of their assignment to particular new outsourcing contracts. In this regard, what could potentially be a more complicated undertaking involving multinational resources, multiple organizations,

overlapping time phases, and layered social networks was clarified into a more manageable scope. This narrowing creates, by design, an advantage. The study is sufficient in scope and complexity to establish a building block in a longer and broader agenda of research. At the same time, I acknowledge that this scope presents limitations to the study. Limitations are discussed later in this chapter. Chapter Three concludes with a phased description of the eight-month journey of data collection and analysis. This section is supported by working examples of situational and dimensional maps that were developed as guideposts for decision-making.

Chapter Four presents the findings of the study drawn from interviews, observations, and other sources of discourse. The first section of the chapter presents the situational analysis from which five core contexts are highlighted: (1) *job role*, (2) *structure*, (3) *geographic distribution*, (4) *technology tools*, and (5) *grouping in space and time*. The second section of the chapter, results of the dimensional analysis, introduces the central dimension: *Relationship Formation as a Vehicle for Accomplishing Work*. This section also contains the explanatory matrices for each of the four primary dimensions of the analysis: and four primary dimensions of the analysis: (1) *Helping*, (2) *Veiling / unVeiling*, (3) *Having Expectation*, and (4) *Responding to Turbulence*. The findings of the study are instantiated with quotes from participants and descriptions drawn from field notes and memos.

The following section of this chapter introduces and describes a conceptual model of relationship formation that reflects the learning from the chapters that precede it grounded in the spoken words and observed actions of the participants.

### A Conceptual Model of Relationship Formation

The dimensional analysis introduced explanatory matrices for four primary dimensions of relationship formation in the context of a situational analysis of technology outsourcing service initiation. The dimensions are (1) *Helping*, (2) *Veiling / unVeiling*, (3) *Having Expectation*, and (4) *Responding to Turbulence*. These were presented as differentiated pieces in Chapter Four to articulate the strategies and impact of each dimension. In practice, as may already be evident from a reading of the situational analysis and the explanatory matrices, there are similarities in the context and conditions from which these dimension emerge and in the strategies that are taken under these conditions. The dimensions move together and are interrelated.

This section presents a conceptual model for relationship formation that puts in motion a theory of relationship formation by showing them as a connected series of closed feedback loop systems. Feedback loops are helpful for understanding system dynamics because they represent closed sequences of strategy and impact. As such, they are considered particularly helpful conceptual structures for uncovering interacting effects among multiple concepts that result in unintended or unanticipated consequences (Britt, 1997). This visual form is complementary to a grounded theory where unintended as well as intended consequences are impelled by the prevailing situation and resulting strategies.

Feedback loops signal the intended and unintended connections among dimensions and use plus signs (+) and negative (-) signs to indicate the impact of one dimension on another. In this conceptual model, the positive sign indicates a positive reinforcing role between the dimensions in the analysis. A negative sign indicates a non-reinforcing role between the dimensions. A positive sign does not signal that a connection is “good” or “better” and a negative sign does not signal that something is “bad” or “wrong.”

Feedback loops gain their overall “sign” using the rules of multiplication. (The rules of multiplication appear as a reference in Figure 21.) The direction of each feedback loop and its overall sign is indicated within each section of the conceptual model with a spiral symbol. The spiral indicates the direction of the loop and the overall sign of the loop is shown next to the spiral. In some cases, where double loops exist, color coding has been used to make the direction of the feedback loops more clear.

<b>Rules for Multiplication</b>	
<b>Positive x Positive</b>	<b>Positive (+)</b>
<b>Positive x Negative</b>	<b>Negative (-)</b>
<b>Negative x Positive</b>	<b>Negative (-)</b>
<b>Negative x Negative</b>	<b>Positive (+)</b>

Figure 21: The rules of multiplication.

The model is first presented in full in Figure 22. Then, to facilitate understanding, the loops are broken down into a series of five figures and explained one at a time with supporting examples. These are presented to build from simple to complex rather than to suggest relative order of importance.

Note that two dimension names have been abbreviated in the feedback loops. The dimension *Having Expectation* has been abbreviated to *Expectation* and *Responding to Turbulence* has been abbreviated to *Turbulence*. The following set of figures are the sub-loops that make up the full model that appears in Figure 22.

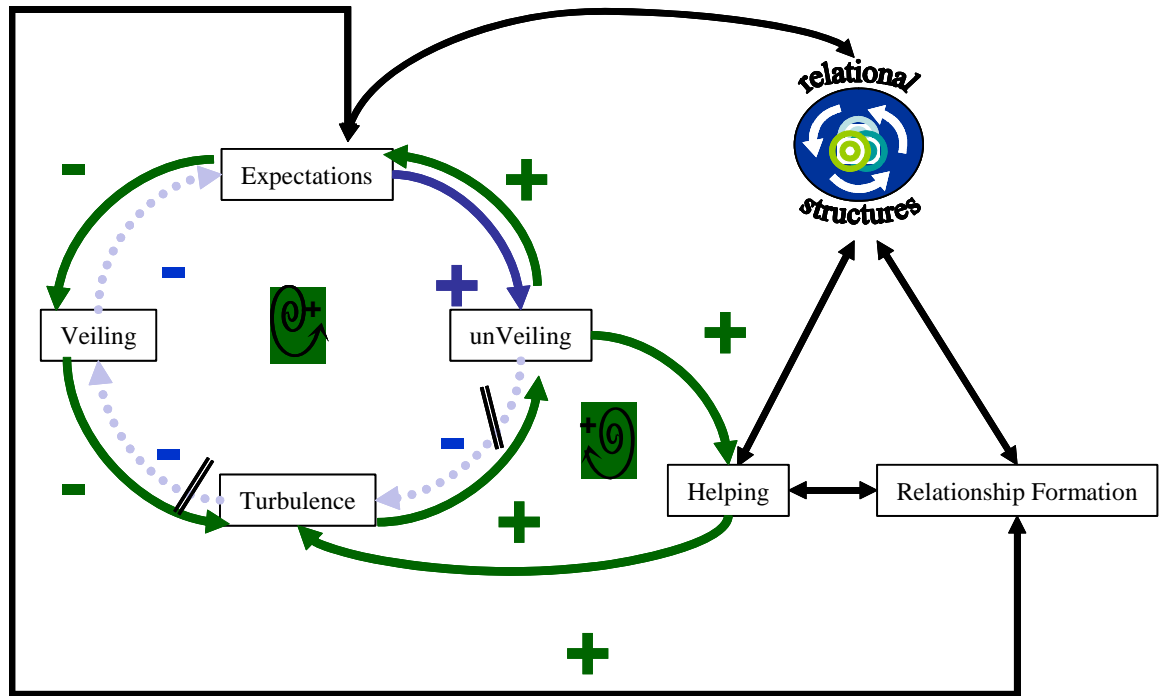


Figure 22. Conceptual model of a grounded theory of relationship formation.

Figure 23 shows a negative feedback loop among the dimensions of Expectations, unVeiling, Turbulence, and Veiling. The loop moves in a clockwise direction, as is indicated by the direction of the spiral in the center of the loop. Figure 23 should be interpreted in this way: Expectations (+) are unveiled (+) as a strategy. That unveiling actually leads to more turbulence (-). This is an example of an unintended consequence of unveiling strategies. In response to the increased turbulence, there is a shift to Veiling strategies (-). As a result, expectations are veiled and the relational impact of Veiling is experienced in the situation.

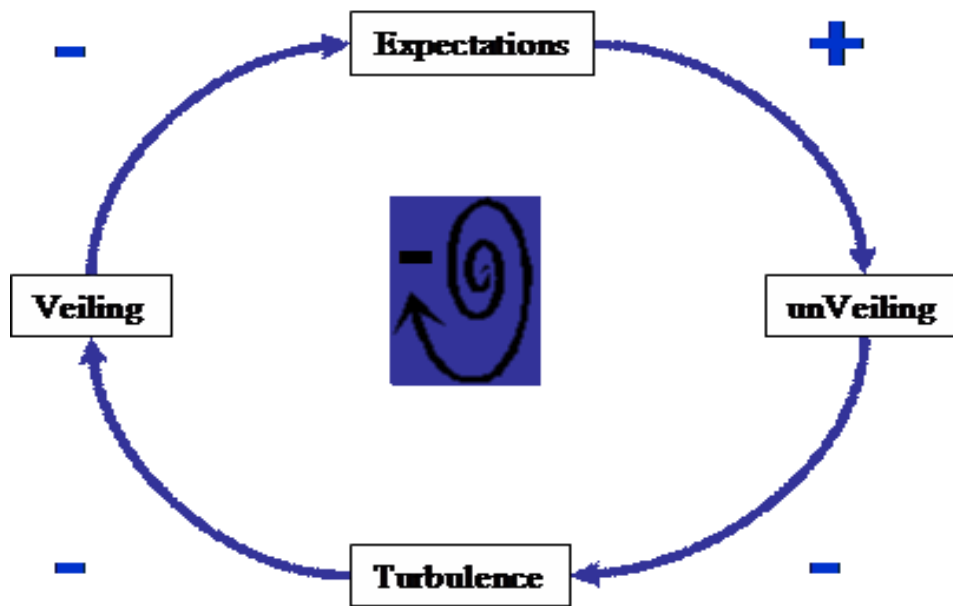


Figure 23. Negative loop showing a switch from unVeiling to Veiling strategies

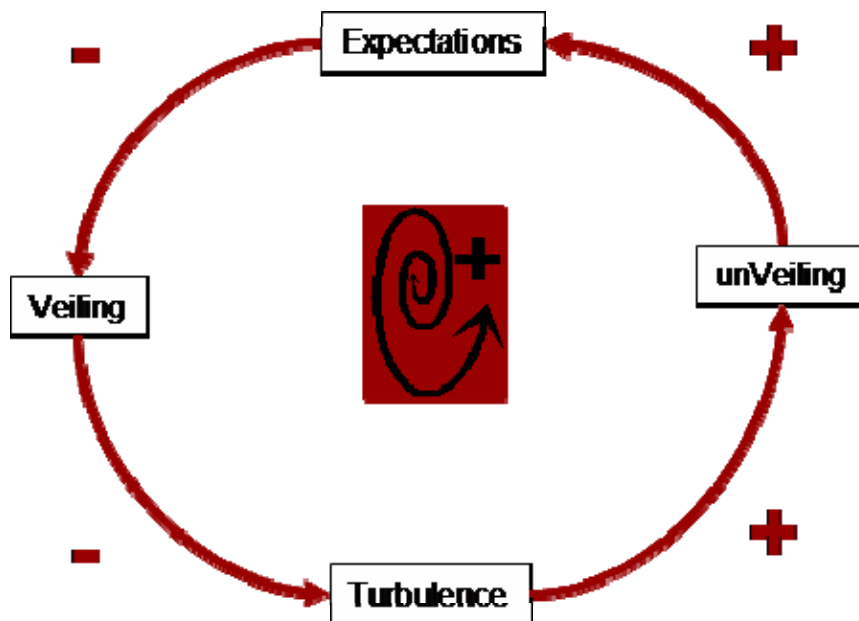
The following is an example, drawn from the data, of this negative loop. A Project Manager described how he had developed what he characterized as a “nice working relationship” with another member of a Service Initiation Team. His perspective was that the relationship “got in the way” when the project pressures became more intense.

**It got to a point for the deployment of that tool, when the foot needed to go down, when firm decisions needed to be enforced. That didn't happen. I'll be more specific [about what happened]. I know you and the guys are strapped 'cause you're doing steady state support on 20 other accounts, but when you find time, can you and your guys handle this for me for this particular customer? The following week comes around, I'm saying the same thing. The following week comes around, I'm saying the same thing. Now it's a month and a half later ... Now we've skipped-, now we're at deadline point. Then I have to turn back and say: now I have to like step on your head now because we've kinda skated with this too long and it's past due. So now I have to, you know, step on your head now. You have to do this tonight. (#20)**

As a result this Project Manager modified his relational work strategy on service initiation projects.

**Keep a glass shell around yourself. You know, you need to start establishing some boundaries when you start a Service Initiation, at least in my perspective. You need to start establishing boundaries early up front. (#20)**

In contrast, Figure 24 shows a relationship among the same dimensions of expectations, unveiling, turbulence, and Veiling. It loops in a counterclockwise dimension and is a positive feedback loop. Figure 24 should be interpreted in this way: Expectations are veiled (-) and that strategy also leads to turbulence (-). In response to increased turbulence, people may choose to adopt unveiling strategies (+). In this case, the impact is an unveiling of the expectations that caused them to take Veiling strategies to begin with (-). This is an overall positive strategy.



*Figure 24.* Positive loop showing a switch from Veiling / unVeiling.

Figure 24 depicts how increased turbulence is also an impact of Veiling that can lead to a switch in strategy towards unVeiling. The following is an example, drawn from the data, of this positive loop. A Project Manager described that he was initially uncertain about how to interact



with the group and raise the concerns that he had about work load and resources in a productive way. It didn't seem like he was getting any "traction" from the regular conference calls. As a result he changed his strategy.

**[I started to be more open with] my willingness to ask questions. To admit, you know, I, I need some assistance and, and direction, those kinda things Not feeling like that's gonna be tallied up at the end of the project and scored against me. When you come there and your boundaries are defined and your responsibilities are defined and they are confident that you can serve those things-, you're trying to get more involved with them as people or, or get involved with, with them on a personal level, then I think it's, it's much easier to get the rest of your work done. So it's not counterproductive to allow yourself, you know, those kinds of, of personal interactions, in my opinion. (#14)**

His initial perception was that there might be some risk in unveiling his questions and openly defining his boundaries and responsibilities. Ultimately the experience was positive.

Figure 25 combines the single loops shown separately in Figures 23 and 24. This double feedback loop points out that both Veiling and unveiling strategies can have intended and unintended consequences in this situation. As is indicated by the data, these two different relationships between dimensions exist concurrently in the Service Initiation Teams. As will be discussed later in this chapter, in the section on Leadership Implications, the outcome of the strategies is heavily mediated by efforts to control or manage turbulence in the situation.

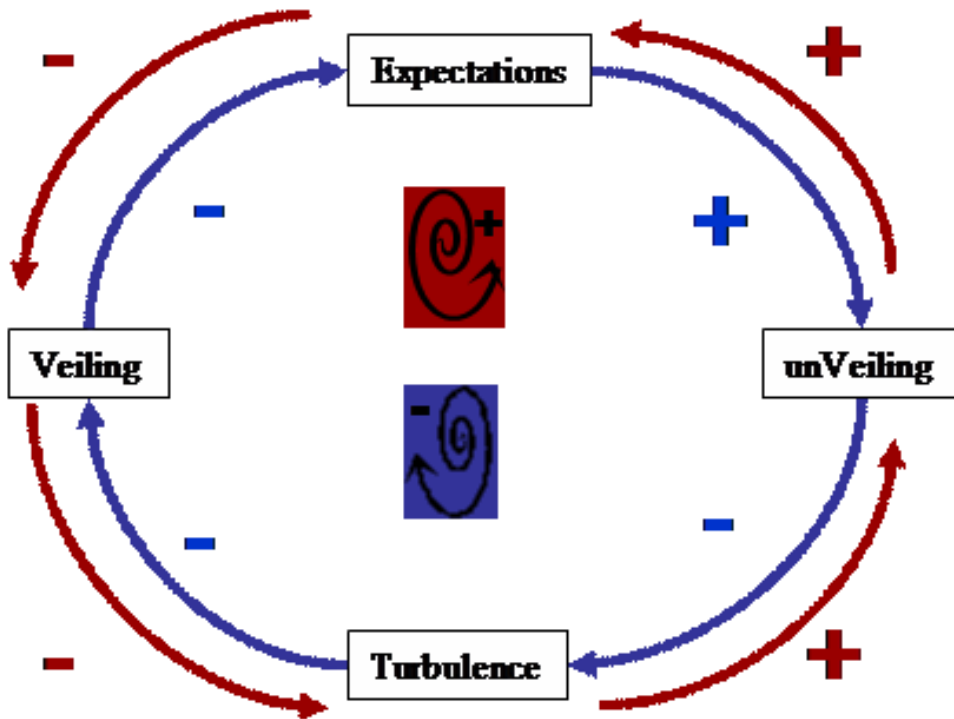


Figure 25. The dynamic relationship between two different Veiling / unVeiling strategies.

Figure 26 introduces the dimension of Helping to the conceptual model. It shows the relationship among the dimensions of unveiling, Helping, and Turbulence. It is a positive loop moving in a clockwise direction. Figure 26 should be interpreted this way: An unVeiling strategy is taken that has the impact of Helping (+) strategies occurring as a dimension. Helping generates a positive relationship to turbulence. The impact of this loop will be made clear in the next build of the model.

The following is an example, drawn from the data, of this positive loop. A Project Manager described the “devil in the details” of his work. He described the importance of the project manager role and the need to take what some would characterize as additional steps to avoid service disconnects. This is an example of how the Project Manager role manifests as a

Helping role in the Service Initiation Team through its' relationship with the extended matrix of the Firm.

**I have some interactions where my team will be in charge of a piece of equipment. So we buy it, configure it, set it all up but then we have to send it off to another team to install it. And what'll happen is, if I didn't exist, my team would put it in a box with some instruction and send it off. And, and then they would just say let us know when you're done. [In my role] I gotta check to make sure someone got it... [It is important to take] the extra step to make sure. Sometimes we call 'em up and they go, oh, that's what that's for? We never took it out of the box. It's been sitting on the stockroom for two weeks. So the project manager wouldn't be needed as much if people did more communicating and if they saw how they were linked together.**  
 (#17)

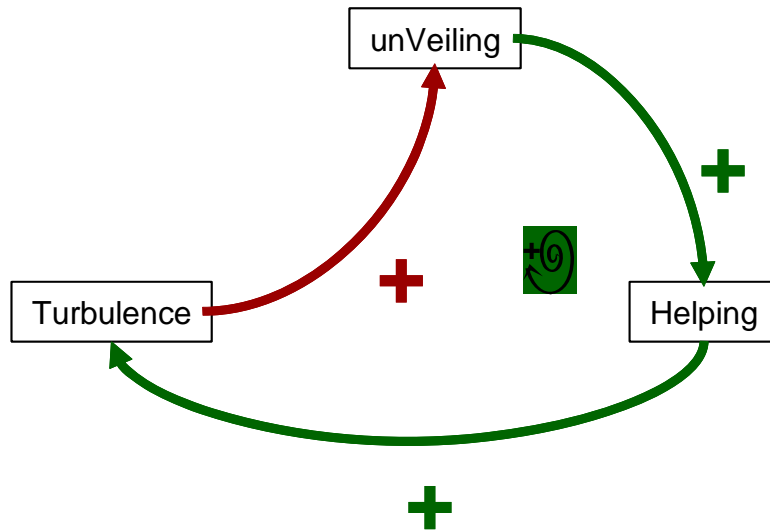


Figure 26. Introducing the dimension of Helping.

Figure 27 combines Figures 25 and 26. This loop, shown in green, moves in a clockwise direction and should be considered to begin at the dimension of expectation. It shows how the emergence of Helping interrupts the negative blue loop that was previously shown in Figures 23 and 25. Expectations are unveiled (+). Helping (+) emerges as a bridging dimension that breaks the negative connection between unveiling and turbulence. As a result, turbulence maintains a

positive sign—meaning that it is present but reinforcing of continued strategies of unveiling. The addition of Helping to the conceptual model creates a continuous closed positive loop.

This relationship between dimensions was observed frequently when Helping strategies *as well as* unVeiling strategies were present. When expectations about Helping (what is actually helpful, what help is expected, what is *not* helpful) are not unVeiled the negative loop that is described in Figure 23 persists. This relationship between dimensions is at the core of relationship formation. The dimension of Helping only holds a pivotal role in the context of “knowing” what is needed, who needs it and how best they can receive it. Unveiling is the core to targeted Helping and thus the fuel of relationship formation.

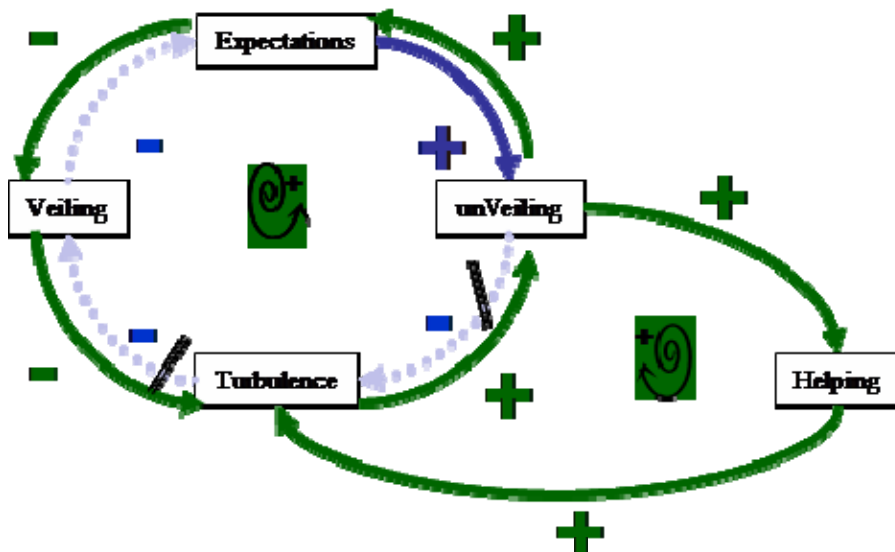
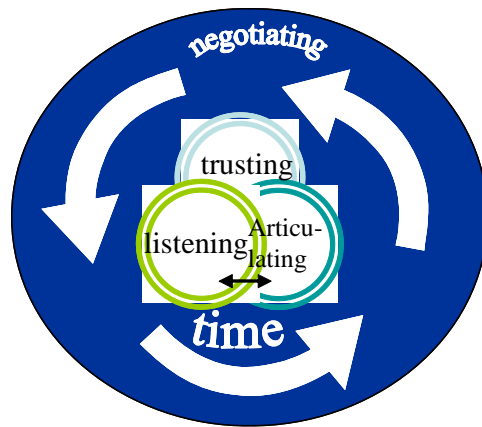


Figure 27. The impact of combining unVeiling and Helping Strategies

The next build on the conceptual model includes relational structures. As was discussed in Chapter Four, relational structures exist as a part of having expectation. In this study, the relational structures that emerged were negotiation, trusting, and communication, as expressed

by listening and articulating. Figure 28 depicts these relational structures. This study does not strive to identify the “best” or most critical relational structures. The structures are not fixed in time. Instead, they may be continually negotiated, reconfirmed, and redefined over time. The theory put forth in this study suggests that relational structures exist, are related to having expectations, are expressed through Helping, and are best understood when they enter into the positive feedback loop of unveiling. It is through the enactment of this total model that relationship formation can be recognized as a vehicle for accomplishing work.



*Figure 28.* Relational structures from this study of relationship formation.

The final addition to this conceptual model of relationship formation is the connection between the dimensions of Expectation, Veiling / unVeiling, Helping, and Turbulence to the relational structures that result in relationship formation. The connections between Helping and relationship formation and between Expectations and relationship formation are made with two-pointed arrows to indicate a flow through the model that can enter at either point. The formation of relationships forms Expectations, and Expectations form relationships. A two-pointed arrow is also used between expectations and relational structures. Expectations shape relational structures

and relational structures shape expectations. (For the reader’s convenience, the full model is included again at this point in the chapter as Figure 29.)

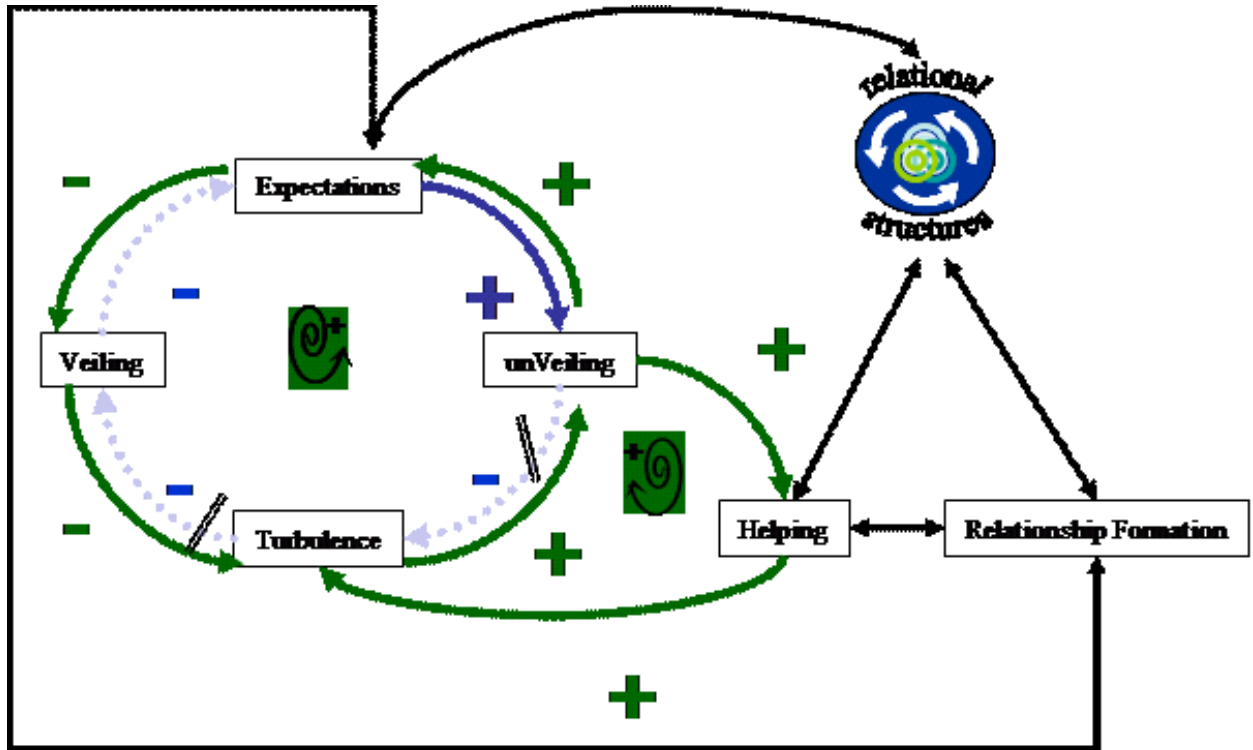


Figure 29. Conceptual model of a grounded theory of relationship formation.

*Summary of a Conceptual Model of Relationship Formation*

This study imagined the work of service initiation to be a microcosm of the Gadrey Service Exchange Theory (2002), in which a system of transformative relationships could be identified within the subsystem of the outsourcing provider that co-produced value. The findings of this study suggest that the formation of relationship is an indicator that a group is working as a service system to co-produce value as an ensemble rather than a group of individuals and technologies. Once formed, relationships exist as vehicles for accomplishing daily work. The

subsequent transformation that is effected by way of relational work *as well as* other organizational capabilities is the initiation of service—the nascency of a service exchange.

The conceptual model for a grounded theory of relationship formation introduced in this section demonstrates how the dimensions of relationship formation interconnect as strategies. It points to connections among the dimensions that diminish the negative impact of unintended consequences. Strategies, taken with the best of intentions, can block relationship formation and undermine the value that relationships produce.

Service initiation is turbulent. The turbulence is, for the most part, a given part of the situation that is outside the control of the individuals working in the system. Therefore, strategies that moderate turbulence are critical to the system's functioning. When turbulence is allowed to take over the model, it encourages Veiling strategies that produce negative loops in the system.

The specific relational structures are understood when the expectations of the participants in the system are unveiled. Different expectations about work, turbulence, and helping will generate and require different relational structures. In this study, the critical relational structures were negotiating, trusting, and communicating (listening and articulating). Other studies have identified other characteristic relational structures (Dyer & Singh, 1998; Fjermestad & Saitta, 2005; Gottschalk & Solli-Saether, 2005; Henderson, 1990; Kim & Park, 2002; Oliver, 1990). This is not a theory of relational structures. Instead, it shows the role that relational structures play in a conceptual model of relationship formation.

The dimension of Helping holds a particularly critical position in the model. When Helping was present as a strategy for accomplishing work, it signaled that a relational work was present. The connection between Helping and unVeiling is also critical. Helping must be recognized and delivered in an unveiled way that is connected to expectations. The challenge of

Helping that's *unhelpful* is addressed in a section of this chapter devoted to leadership implication.

### Systemic Contextual Challenges

This section of the chapter discusses two systemic contextual challenges. These challenges are system-wide aspects that shape, and often block, relational work. The first aspect is a further consideration of the Helping dimension. The second aspect looks briefly at the iconic image of outsourcing service delivery and the way the delivery might filter into the language of the participants in this study.

### *The Shadow Side of Helping*

The dimension of Helping forms a bridging role between relationship formation, relational structures, and the other dimensions of the conceptual model of relationship formation. The model focuses primarily on the important positive impact and consequence that Helping can have on the work of service initiation. However, there is a shadow side to this dimension that can have a negative impact on the work of relationship formation and service initiation. This section is about this aspect of the dimension. This aspect was most visible between people and technology tools although it was also observed between people and people. It threads through the situational analysis, where it is described as technology disablement, and reappears again in the dimensional analysis under the conditions named *people* and *technology tools*. I did not observe this manifestation of Helping frequently but consider it important to name because it did not integrate into the model.



*When helping is not helpful between people and technology.* Technology tools are designed with the best of intentions by individuals whose aim is to help. They want to increase efficiency and reduce costs through automation while making the day-to-day work of Service Initiation Teams and client-facing resources like the Project Executives easier. The tool developers are busy developing tools while the service initiators are busy initiating service and it seems that never the twain shall meet. This separation creates a consequence in that the number of tools and technologies Service Initiation Team are expected to use with proficiency multiplies faster than any member of the team can keep up with. When a problem arises, a new tool is developed to “fix” it. This approach is in keeping with the iconic message that machines will solve everything. (Alternatively, a clever developer might simply develop something without understanding whether it would actually have any utility in the real world of service.)

A simple first step to address this aspect of Helping between people and technology tools is to create a closer linkage between tool developers and end users. I am aware that this is not an earth-shattering revelation. Still, I’ll add my rock to this particular pile with the caveat that I know that it is not all that simplistic. The dimensions of a “closer linkage” between developers and end would be very interesting to explore.

*When helping is not helpful between people and people.* Unhelpful Helping manifests between people when individuals offer help that doesn’t match the help that is actually wanted, expected, or needed. This study is intended to turn up the volume on the value of relationship for accomplishing work. However, sometimes people do move faster and more efficiently when they move alone. In this instance, the dimensions of unveiling expectations are quite powerful and important. Individuals who can make clear (unveil) their expectations are more likely to achieve a match that will help and have a positive perception of relational work. Individuals who are

unable to unveil their expectations will feel more turbulence and have a negative perception of relational work.

*Summary of the shadow side of helping.* Helping is pivotal in relationship formation only when it is in context with unVeiling. It is the interplay of the dimensions that is the relational vehicle for accomplishing work. UnVeiling is the core to targeted Helping and thus the fuel of relationship formation

### *Veiling Relationship and Iconic Images*

The participants in this study were willing to talk with me about relationship. They had opinions about relationship value (positive), what worked and didn't work in their work with people and technologies, and what they'd change and how they'd improve it. In contrast, when the participants were together, on the phone or in person, they didn't talk about relationship. The Service Initiation Teams focused on problems. They seldom discussed successful or "on-target" work. They did not pause to reflect on the success or failure of the ensemble as a collaborative unit that leveraged, or did not leverage, relationships to get work done. Instead, they discussed the problems with technical work and reviewed project management status. I can't recall the word "relationship" being used between Service Initiation Team members other than in context with the word client (e.g., "I am focused on the client relationship"). At first, I was very concerned that there was no relationship to study in this study of relationships. That proved not to be the case, but I had to learn a new vocabulary to find it.

Early in the study, I started to develop a glossary: This world is an alphabet soup of acronyms. I found that I had to write down the names of the job roles and practice saying them so that I would recognize them and be able to ask questions and interpret answers properly.

Think of the job title Project Manager. They're not people managers (a job title), they're not relationship managers (another job title). Their work is the project: the checklists, timelines, electronic files, and reporting structures. I began to recognize the way that the participants talked about who they called upon, who they were instant messaging with, and how these things were keeping them up at night with worry. The participants in this study have a lot of very sophisticated skills. They'd climbed the ladder of success by portraying a certain image and by being proficient in a certain language. I imagined that the participants were navigating in a spider web where some strands were sticky trouble and others were enabling ladders. I recognized this web as the dimensions and relational structures of the work of service initiation. But this is not how the people who do the work talk about the way they get the work done.

The iconic image of the technology outsourcer is not about relational work. A quick tour around the Internet supports that. The media commercials of three major outsourcers, Accenture, EDS, and IBM, depict an interesting picture.

*EDS is a large outsourcing provider. In an EDS commercial called Manhattan (metroid48), a group of people are recruited off the street with the promise of \$100.00 for 15 minutes of work. These people are the outsourcing team. One of them is in a chicken suit. The implication is that the work of outsourcing is being accomplished by a group of unskilled strangers. I think that EDS is making an observation about their competitors, but I am not certain.*

*A recent television spot for IBM, another larger outsourcing service provider, opens with the view of a large factory. As the camera closes in on the factory, we see IBM-blue*

*flowers streaming from the smokestack. "I'm Not Like Everybody Else," by the Kinks plays in the background. The flowers blow into an office building where people are working in cubicles. The people in the cubicles are lip-synching to the lyrics from the Kinks. Finally, against a long shot of Manhattan and the Empire State Building, we see the IBM logo (IBM, 2007). The blue flowers all look alike and the people are in cubicles lip-synching. What about them was not like everybody else? In an IBM television commercial, a group of people are standing together in a semi-circle. It appears that they might be in an airport. Their mobile devices all ring. They talk and text into their mobile devices. They exchange cryptic monosyllables. I think about face-to-face meetings where people mostly interacted with their machines.*

*Another large outsourcing provider, Accenture, has Tiger Woods as their brand endorser. Most of the commercials show him making impossible shots using skills that are compared to skills that Accenture can help companies build through outsourcing: "We know what it takes to be a Tiger" (David, 2006). Tiger Woods is presented as an icon of high performance. Tiger Woods is just one person and golf is a solo sport. Where is the relational work in this image? Absent. I learn from this Accenture message that great outsourcing providers are solo artists.*

It is difficult to miss these iconic messages once you begin listening for them. They depict people acting alone or interacting with machines instead of each other.

This area of media discourse and its relation to the way that relationship is veiled within organizations is, in and of itself, a fascinating topic for research. It became a part of this study as

I discovered that the language and work of relationship was veiled in acronyms and project management processes. It was constituted by the stories people chose to tell me and each other and the work rituals that I observed. These branding forces are a part of what keeps relational discourse silenced.

### *Limitations*

This section of the chapter identifies and discusses five limitations to the study. Three of these limitations have an impact on the transferability of the study results. These are: scope of sampling, United States-centricity, and the narrowness of the temporal focus on startup relations. The fourth limitation involves my role as researcher in the situation of the study. The fifth limitation has an impact on dependability that is inherent to grounded theory—the choices that were made in the course of interviews and analysis that may have brought certain dimensions forward while leaving others behind.

### *Sampling Limitations*

The first limitation described in this section is the use of selective sampling over theoretical sampling. The study, by design, is nested in a specific domain of a very large organization. A more comprehensive view of relationship formation would benefit from sampling a more extensive variety of perspectives. An expanded theoretical sampling strategy could have included the extended network of subject matter experts who are project-managed by members of the Service Initiation Team. It could have also included additional members of what would become the steady-state resources (e.g., technical architects).

Sampling was also limited to United States resources. This limitation was somewhat mitigated by the hosting firm's design for Service Initiation Team, which applies solely United States resources even for those accounts that will eventually include offshore service delivery.

Broadening the perspective of relationship formation to include the perspective of the client organization could have included interviewing a number of clients. The focus might have been held on the intraentity relationship by focusing the interviews on the client's perspective on the relational work of the outsourcing service provider.

### *What about Offshoring?*

A second limitation is that this study is entirely silent on the situational impact of global offshoring. Offshoring is the relocation of business processes from one country to another. This is a highly contested topic in technology outsourcing. Its issues are prevalent in the contracting phase of the lifecycle when clients are deciding the extent to which they are interested in and willing to offshore their services and where outsourcing providers are calculating the cost-case impact of offshoring on the financial terms of the client. The issues of offshoring again become very central in the steady state phase of the outsourcing lifecycle. Discourse about offshoring did not emerge in this study primarily because of its focus on service initiation. The outsourcing service providers will first assume the services from the client mostly as is. Later, in steady state, they will take on the complexity of moving services off shore if that is part of the structure of the contract. Still, offshoring is a very pervasive and important theme in technology outsourcing. Developing a thorough and comprehensive theoretical understanding of technology outsourcing relationship formation would benefit from exploring the global delivery implications of both offshoring and multinational work in general.

*Temporal Focus*

A third limitation of the study is the focus on the new acquaintances that were explored to understand relationship formation. For the most part, the participants in the study were strangers to each other at the kickoff of service initiation. However, that was not 100 percent the case; a few individuals had worked together in the past. Additionally, there was evidence that participants were reaching outside of the immediate Service Initiation Team to leverage relationships that helped them to accomplish their work. This study was limited by not taking a temporally expanded view of the service system that might interconnect patterns of transcendent relational work, unbounded by assignment to the particular Service Initiation Teams that were the situation of the study.

*Insider Status*

A fourth limitation of the study involves my familiarity with the situation that I studied and the way in which that familiarity influenced my choices during interviews and analysis. I came to this study with an extensive understanding of technology outsourcing. Additionally, my research team was made up of people who were also professionally involved with the hosting organization. This limited my position of marginality as I was often perceived by participants as an “insider.” To take a marginalized position allows researchers to both enter as well as distance themselves from a phenomenon (Bowers, 1988). My perceived “insider” status also caused participants to wonder what I was going to write about them and about the situation. I considered this potentially limiting “traitorous identity” (Harding, 1991) as the shadow side of my ability to bring a standpoint to the situation.

*What Was Left Behind*

Taking a different path might have led me to a very different theoretical model. This is a threat to dependability that scholars criticize in grounded theory. The dense early situational maps chart the story of the various decisions made over the course of interviewing and analysis. They show dimensions that were left behind while others were put forward. There were forks in the road, captured in memos, that reflect choices that I made along the methodological path. As an example, I observed that some female participants used language to describe their work that I interpreted as heavily gendered (“being mother”, “the social director”). As the dimension of Helping came into focus I wondered, and continue to wonder, how gender is part of the story of relationship formation. I brought this dimensions forward for a while. As I returned again and again to the data, using the constant comparative method, I decided that there was insufficient evidence grounded in the data to feature this dimension. It is a personal interest of mine that I was listening for. Still, I had to leave it behind. That is not to say that there isn’t a study to be done there—simply that it did not emerge in *this* work. Dependability in grounded theory is not about finding the one truth. Dependability, in this case, is about the degree to which the modeling of relationship formation is sufficiently grounded in the experience of the participants, with the processes of situational and dimensional analyses firmly in place and outlined, and comprehensively organized into an understanding of relationship formation in the context of the study.

This study is not a general text about outsourcing services. It was not designed to describe the complex and varied technical aspects of service initiation. This is not to suggest that the aspects or dimensions of outsourcing services not studied here are not important. Simply,



they did not emerge as central aspects grounded in the data from this study. This research is situated in a particular time and place with certain participants who agreed to share their experiences with me. In keeping with my constructionist position, I do not claim to have integrated and synthesized the totality of complexity within this situation.

### *Summary of Limitations*

In this section of the chapter, I described the five limitations to this study that I was sensitized to during the course of the work. Understanding limitations is a critical aspect of reflective practice. The identification of limitations for this study will shape and guide my future research agenda, of which this inquiry is just a building block. The limitations do not significantly erode the credibility of this study. It holds up well to the criteria for qualitative inquiry, shown in Table 4, that were developed as an evaluative litmus before data collection began. This study focuses on an area of the business, as well as the empirical domain, that is not well understood. The results of this study begin to fill this gap by presenting a conceptual model of a grounded theory for relationship formation that can be discussed and tested in other situations.

### Implications for Practice: Leadership

The participants in this study seldom used the terms “leader,” “leading,” or “leadership” in interviews. A word search of all of the interviews revealed that the terms occurred cumulatively only 12 times in seven of the total 25 interviews. The words were used in two contexts: (1) as a code switch that indicated that they were talking about the client (e.g., “I am leading the client relationship”), and (2) to talk about formal-sounding non-specific roles held by

others in the extended matrix of the organization (e.g., “The executive leaders decided”).

“Leading” was not how the participants in this study talked about their work. Their leadership voices were silent.

This section explores implication for leading relational work during service initiation. The first section discusses how leadership was seemingly veiled and explores leadership implications in service systems. The section continues with specific recommendations that emerged as implications for leadership practice.

### *unVeiling Relational Work*

There is a lot of guesswork involved in figuring out the expectations for “how we do work” in outsourcing service initiation. The timeline to prove oneself against veiled relational expectations is brief and people are quickly replaced if they fail—so brief, in fact, that the research team at one point was considering that a dimension of relationship was something about being voted “off the island,” as occurs in the currently popular reality television show *Survivor* (CBS, 2007). The conceptual model of relationship formation suggests that when expectations are made more explicit (unveiled), there is a greater resilience to turbulence, an improved likelihood that people will engage in helpful Helping, and that the relationship formation that is evidenced by that positive cycle will support accomplishing day-to-day work. This positive cycle feeds into the relational structure of trust: When relational work results in met expectations, trust is supported. If I trust you to take the course of action that is acceptable to me, I am free to accomplish my own work rather than to watch over you.

Service systems should be drawn without the traditional focus on hierarchical lines and boxes and should be populated by individuals who can recognize the work they do as leadership;

they should be able to their power in an emergent and organic way as “Leadership In Place” (Wergin, 2007). Margaret Wheatley’s (1992) perspectives resonate for leadership in service systems, with relationship as a central organizing principal in a ”non-Newtonian’ world. ... A quantum universe is enacted only in an environment rich in relationships” (Wheatley, 1992: p. 68).

Leadership skills have also taken on a relational slant. Leaders are being encouraged to include stakeholders, to evoke followership, to empower others. Earlier, when we focused on tasks, and people were the annoying inconvenience, we thought about “situational” leadership—how the situation could affect our choice of styles. A different understanding of leadership has emerged recently. Leadership is always dependent on the context, but the context is established by the relationships we value. We cannot hope to influence any situation without respect for the complex network of people who contribute to our organizations. (Wheatley, 1992: pp. 144-145)

The leadership implication is that relationships are created between the person and the setting. That relationship will always be different, will always evoke different potentialities. Wheatley’s ideas support this study’s model of relationship formation:

We will need to stop describing tasks and instead facilitate process. We will need to become savvy about how to build relationships, how to nurture growing, evolving things. All of us will need better skills in listening, communicating, and facilitating groups, because these are the talents that build strong relationships. (Wheatley, 1992, p.38)

*Specific Implications for Leadership Practice*

The situation described in this study calls for a non-hierarchical take on leadership, a take that did not show up in this environment. The participants were vulnerable to the turbulence caused by the often-conflicting directions and requirements defined by others in formal “leadership” roles above and outside of their group. At the same time, because of the matrix structure there was no single “leader” giving direction.

The people who work in service systems would benefit from strategies and capacities to recognize their own, and each others’, enactments of leadership regardless of their formal positions in a hierarchical structure. Organizational strategies that promote that perspective should be considered. These strategies could include training and education in the impact of interpersonal and relational work, integrating measurement of relational structures into performance metrics, and acknowledging the importance of relational skills for career advancement.

When new groups are formed, efforts should be made to allow space and time for people to share their preferences and expectations. There is an opportunity for technology tools that don’t yet exist to create spaces in which a Service Initiation Team might create shared views and understanding of their relational structures. Fascinating collaboration work is emerging and under study in the virtual worlds of massive multiplayer online games and virtual environments like Second Life (Nardi & Harris, 2006). The possibilities for these sorts of spaces are promising.

Additional and more specific recommendations for leadership practice have been made to the Firm who hosted this study. These recommendations cannot be discussed in this document because of confidentiality agreements.

*Summary of Leadership Implications for Practice*

Service systems do not function within traditional vertical and horizontal organizational hierarchies. Instead, they manifest in a creative weaving of simultaneously multidirectional interactions. Service Initiation Teams have multiple concurrent leaders and followers, each possessing individual characteristics and expectations. The services Firm has the opportunity to appreciate the uniqueness of the various sub-systems and to bring these together into systems that support co-creation of value. This section of the chapter encourages intentional unveiling of leadership practices as important to the relational work of service systems. The facilitation of emergent leadership based on non-coercive multidirectional influence is a desirable outcome that outsourcing service providers should work to create.

*Implications for Practice: Organizational Change*

The results of this research point to a constantly shifting environment where new processes, technology tools, market requirements, client demands, and timelines surface every day. Consider how great it feels to complete a task, to solve a puzzle, to scale a mountain. That doesn't ever happen for Service Initiation Teams. The game can't be won; the rules are changing even as they move on to the next assignment.

This section points at two implications for organizational change. The first is in the area of organization design. These short-term and non-repeating groups are stuck in the storm of the cycle of team development. This should change. The second implication is that there should be less change. Turbulence is identified in this study as a powerful force. Organizations should identify strategies to lessen turbulence rather than reacting to every business shift with more of the wrong kinds of change.

*Stuck in the Storm*

Short-term and non-repeating groups don't evolve through stages of group formation in the same way. Individuals who do not anticipate repeated interaction are more likely to maximize their own benefit at the cost of the group (Das & Teng, 1998). The organizational design of Service Initiation Teams as short-term and non-repeating groups does not promote relationship formation. Service Initiation Teams should be established as repeating groups with a complementary mix of skills and style. I acknowledge that the implications of this type of team would need to be carefully considered in its implementation. There are implications for career development, geographic challenges, and scheduling dilemmas. Still, there is a clear implication that emerged from the study that the work of service initiation would gain efficiency if the teams functioned as repeating groups.

*Change Less*

Technology outsourcing service initiation is a complex change effort whose goal is to transform the broader context of work for both the outsourcing service provider and the client organizations. The most profound implication for organizational change is that there should be less of it. Outsourcing service providers must strive to reduce turbulence for the Service Initiation Teams. Structural changes should be rolled out to (repeating) groups between—and never in the midst of—service initiation efforts. Service initiation efforts would have a higher likelihood of success if changes, either in technology tools or organizational structure, were not implemented in the middle of implementation.

The environment will remain turbulent despite the best efforts of the organization. The results of this study make that clear. Therefore, the members of Service Initiation Teams would benefit from exposure to theory and tools that would help them to be more resilient in the face of continuous change.

### Implications for Future Research

This study was bounded in two ways by design: (1) by its focus on the experience inside the outsourcing service provider, and (2) by a short contractual time period in the outsourcing services lifecycle. Future research should widen, broaden, and deepen research in the area of relational work in service systems.

Future research can broaden this study by including the client more centrally in the picture. Intersecting layers of relationship formation occur during the nascency of service initiation implied by this study that would be fertile ground for future research. This study can also be extended by looking backwards and forwards across the outsourcing service lifecycle. There is a period of work prior to service initiation during which the service agreement is defined and negotiated. There is a steady state period of work after service initiation that can be followed by the anticipated end of a contract, the premature ending of a contract, or a re-negotiation for future service. Each of those time periods involves the work of people with people, and people with technology. A significant body of work could build a theory of relational work in services that includes both client and service provider and spans the multiple lifecycles of service initiation, steady state, and project end.

Future research is also critically important for understanding relational work outside the narrow United States context. This should include outsourcing work that is accomplished with

the United States and other countries as well as work that is bounded within other individual or groups of countries that do not include the United States.

There is a need for leadership research and theory development with a focus on service systems. There is an opportunity to enter the contested discourse on the “Science of Service” by exploring the leadership dimensions of service exchange. As was mentioned earlier in this chapter, a taxonomy of the ontologies for relational work in service exchange would be a useful starting point. In any case, there is an implication for additional leadership research that focuses on the role of both formal and informal leadership in highly collaborative environments.

Additional research could narrow and deepen the understanding of particular dimensions of this study. I am particularly interested in unveiling the shadow side of Helping and how service systems can be more “knowing”, more able to sense and respond to what would be truly helpful. Additional areas for deeper inquiry include (1) understanding the development of trust in service exchanges and how that development might be accelerated (I call this fast trust), (2) understanding more about the sub-dimensions of expectations and how these manifest within a service organization, and (3) exploring the gendering of service work in technology outsourcing.

### Conclusion

This study is about relationship formation as an infrastructure that undergirds the everyday realities of accomplishing work. The subsequent transformation that is effected, by way of relational work *as well as* other organizational capabilities, is the initiation of service—the nascency of a service exchange.

The theory of relationship formation tells a coherent story about the relational work of service initiation in technology outsourcing. It adds to the understanding of the interactions,



coordination, and relationships among people and between people and technology in the realm of technology outsourcing.

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## Footnotes

<sup>1</sup>The goods-centered model, pervasive since the nineteenth century, defines the value of service as the possession of a tangible good. With few exceptions, the shift toward value in use did not appear in the services literature until after the 1950s. For a more comprehensive review of the history of economics as it relates to the transition from goods-centered to service-centered economies, refer to Vargo & Lusch, 2004, p. 3-4.

<sup>2</sup>A heavily matrixed environment is characterized by an organizational structure where individuals have traditional vertical reporting responsibilities as well as having cross-hierarchy responsibilities. In a matrixed work environment people and groups of people hold multiple accountabilities. There is more than one “boss” or ultimate decision-maker.

<sup>3</sup>Examples of adult-to-adult relationship formation by way of the Internet would include (Donn et al., 2001; McKenna, Green, & Gleason, 2002; Yee, 2006).

<sup>4</sup>Ring and Van deVen follow a psychological contract perspective that does not differentiate between an individual’s role and their informal or interpersonal relationships. The theoretical work of Ring and Van deVen (1994) describe these two types of relationships as closely intertwined.

<sup>5</sup>The Fortune 50 is an annual ranking of American corporations based on revenue and profit.

<sup>6</sup>The study will follow Strauss’s notion of ‘local concepts’ (Glaser & Strauss, 1967), and Clarke (2005, p. 85) with the understanding that some selective initial sampling is reasonable for this study, given the researcher’s position in the inquiry, and will not guide the emergent creation of theory. Therefore, this short illustrative list of non-human actors suggests likely directions for

theoretical sampling without meaning to be exhaustive or exclusionary of others that may emerge.

<sup>7</sup>This is an example of an appropriate boundary for a preliminary interview, the researcher would want to focus the conversation on business relationships as opposed to parental relationships. If, however, all participants introduce parental relationships to the conversation, this would merit additional exploration.

*Tables*

Table 1: *Communication practices associated with collaborative spirit*

Shared Mission	Shared Power
<p data-bbox="237 453 513 489"><u>Supporting Practices:</u></p> <ul data-bbox="237 527 618 730" style="list-style-type: none"> <li data-bbox="237 527 618 562">• Discussion of the Mission</li> <li data-bbox="237 583 464 619">• Reaffirmation</li> <li data-bbox="237 640 423 676">• Testimony</li> <li data-bbox="237 697 501 732">• Pride Statements</li> </ul>	<p data-bbox="800 453 1076 489"><u>Supporting Practices:</u></p> <ul data-bbox="800 527 1263 848" style="list-style-type: none"> <li data-bbox="800 527 1166 562">• Concession to the Group</li> <li data-bbox="800 583 1122 619">• Rotating Chairperson</li> <li data-bbox="800 640 1263 676">• Equal Opportunity to Participate</li> <li data-bbox="800 697 1110 732">• Ad Hoc Committees</li> <li data-bbox="800 753 1099 789">• Roundtable Seating</li> <li data-bbox="800 810 1049 846">• Soliciting Input</li> </ul>
<p data-bbox="237 940 500 976"><u>Hindering Practices:</u></p> <ul data-bbox="237 1014 488 1050" style="list-style-type: none"> <li data-bbox="237 1014 488 1050">• Overprocessing</li> </ul>	<p data-bbox="800 940 1070 976"><u>Hindering Practices:</u></p> <ul data-bbox="800 1014 1135 1050" style="list-style-type: none"> <li data-bbox="800 1014 1135 1050">• Executive Committee</li> </ul>

Note. From Heath, R. G., & Sias, P. M. (1999). Communicating spirit in a collaborative alliance.

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Table 2: *Potential situational analysis implications drawn from Lacity & Willcocks (2000)*

Finding	Potential Situational Analysis Implications
<p>Senior executives and IT managers who made decisions together achieved expected cost saving more frequently than those that acted alone...“it appears that successful sourcing decisions require a mix of political power and technical skills” (Finding #2)</p>	<ul style="list-style-type: none"> <li>• introduces the individual decision-making role and opens up the realm of analysis to include co-power theory (Follet, 1924; Greenleaf, 1977)</li> <li>• suggests leadership theories that explore co-leadership (Segil, Goldsmith, &amp; Belasco, 2003; Thompson, 2002)</li> </ul>
<p>Narrative examples in the paper mentioned the dimension of manager motivation and individual inefficient work practices by union workers to preserve their jobs. (Finding #3)</p>	<ul style="list-style-type: none"> <li>• Acknowledges the power of the individual to influence outsourcing outcomes</li> </ul>
<p>Short-term contract achieved expected cost savings with a higher relative frequency (Finding #4)</p>	<ul style="list-style-type: none"> <li>• Conflicts with game theory results in buyer-seller supply chain IORs Why would that be?</li> </ul>

Table 3: *Situational analysis elements, actors, and actants with examples*

Element / Actors / Actants	Examples
Individual Human Elements/Actors	Key individuals and significant (unorganized) people in the situation
Collective Human Elements/Actors	Particular groups; specific organizations
Discursive constructions of individual and/or collective human actors	As found in the situation
Political/Economic Elements	The state; particular industry/ies; local/regional/global orders; political parties; NGOs; politicized issues
Temporal Elements	Historical, seasonal, crisis, and/or trajectory aspects
Nonhuman Elements/Actants	Technologies; material infrastructures ; specialized information and/or knowledges; material “things”
Implicated/Silent Elements/Actants	As found in the situation
Discursive Construction of Nonhuman Actants	As found in the situation
Sociocultural/symbolic elements	Religion; race; sexuality; gender; ethnicity; nationality; logos; icons; other visual and/or aural symbols
Spatial Elements	Spaces in the situation, geographical aspects, local, regional, national, global spatial issues



Table 3 (continued)

Element / Actors / Actants	Examples
Related discourses (historical, narrative, and/or visual)	Normalized expectations of actors, actants, and/or other specified elements, moral/ethical elements, mass media and other popular cultural discourse, situation specific discourses
Major issues/debates (Usually contested)	As found in the situation
Other kinds of elements	As found in the situation

Note. Ordered Version of Situational Map from Clarke, A. E. (2005). *Situational Analysis: grounded theory after the postmodern turn*. Thousand Oaks, California: Sage, p. 90.

Table 4: *Criteria for qualitative inquiry drawn from Lincoln and Guba (1989) with supporting characteristics from dimensional and situational analyses*

Criteria for	Methodological Supports
Trustworthiness	
Credibility	<ul style="list-style-type: none"> <li>• Parallel to internal validity</li> <li>• Grounded theory methods are designed to “speak specifically for the populations from which it was derived and to apply back to them” (Strauss &amp; Corbin, 1998)</li> </ul>
Transferability	<ul style="list-style-type: none"> <li>• Parallel to external validity</li> <li>• A grounded theory is not a grand theory. It is not designed to have the explanatory power of a general theory. Variations in conceptualization should be attributable to situational differences and/or differences in emphasis. (Strauss &amp; Corbin, 1998)</li> </ul>
Dependability	<ul style="list-style-type: none"> <li>• Parallel to reliability</li> <li>• The processes of dimensional and situational analyses provide dependability</li> </ul>
Confirmability	<ul style="list-style-type: none"> <li>• Parallel to objectivity</li> <li>• Memoing and coding practices support confirmability</li> </ul>

Table 4 (continued)

	Criteria for Authenticity
	Methodological Supports
Fairness	<ul style="list-style-type: none"> <li>The methods of dimensional and situational analyses are geared to give voice to the research participants and ground theory in their experience, constructions, and values</li> </ul>
Ontological authenticity	<ul style="list-style-type: none"> <li>The researcher develops the explanatory matrix and situational maps to validate participants constructions. The participants are informed about relationship formation as a result of their participation in theory development.</li> </ul>
Educative authenticity	<ul style="list-style-type: none"> <li>The participants become more aware of how others, specifically their colleagues and peers, experience relationship formation.</li> </ul>
Catalytic authenticity	<ul style="list-style-type: none"> <li>The study is occurring within an organization and has business sponsors. The results of the study will be part of larger organizational initiatives.</li> </ul>
Tactical Authenticity	<ul style="list-style-type: none"> <li>Data collection and analysis occurs concurrent with many other initiatives at the Firm. These initiatives have the purpose of improving service delivery. Participants in the research are also leaders of these initiatives who are responsible for driving organizational change.</li> </ul>

Table 5: *Ordered situational map*

Categories	Elements/Actors
Individual Human Elements/Actors	<ul style="list-style-type: none"> <li>• Project execs (PEs)</li> <li>• Deputy PEs</li> <li>• Overall service initiation manager</li> <li>• Service initiation project manager</li> <li>• Delivery project executive</li> <li>• Technology architects</li> <li>• Project managers</li> <li>• Financial analysts</li> </ul>
Collective Human Elements/Actors (particular groups)	<ul style="list-style-type: none"> <li>• Global technology services outsourcing</li> <li>• Industry-specific team</li> <li>• Other service providers already within organization who will stay (may compete and collaborate)</li> <li>• Other service providers already within organization who are exiting</li> </ul>
Discursive Constructions of Individual or Collective Human Actors	<ul style="list-style-type: none"> <li>• Concepts of professionalism; sameness/differences; standardization; value of technology; urgency.</li> <li>• Concepts of trust: Other individuals and groups within services firm; client truthful about the technical environment.</li> <li>• Outsourcing as adding value for the client and/or negating value</li> </ul>
Political/Economic Elements	<ul style="list-style-type: none"> <li>• Eroding profit</li> <li>• Low margins</li> <li>• Global service delivery</li> <li>• Multiple vendors/providers serving one client</li> <li>• Maturing or outdated (legacy) technologies</li> </ul>

Table 5 (continued)

Categories	Elements/Actors
Temporal Elements	<ul style="list-style-type: none"> <li>• Building the relationship takes time vs. productivity has to happen immediately</li> <li>• Switch-over of employees (at onset of outsourcing contract) happens over time and re-badging doesn't mean that the "change" has really happened</li> <li>• Number of work hours in the day</li> <li>• Client expectations for additional/unanticipated work</li> <li>• Time targets specific to contract</li> <li>• Time in the year</li> <li>• Time in the quarter</li> <li>• Time to switch over of services</li> <li>• Time in the course of a contractual relationship</li> </ul>
Major Issues/Debates	<ul style="list-style-type: none"> <li>• The relationships among individuals and groups accomplishes the work</li> <li>• Relationship matters</li> <li>• The customer is always right</li> <li>• The service commitments made by the sales team are not reasonable</li> <li>• The service provider knows better what technologies, processes, and work practices are appropriate</li> <li>• The customer is more familiar with their business and market and knows better what choices should be made</li> <li>• If the service firm cared about the client they would provide additional services for free even if they were out of contractual scope</li> <li>• Work should be face-to-face</li> </ul>

Table 5 (continued)

Categories	Elements/Actors
Nonhuman elements	<ul style="list-style-type: none"> <li>• Technology/automation will solve everything</li> <li>• Technology/automation is helpful</li> <li>• Choice of communication media</li> <li>• E-mail technologies</li> <li>• Instant messaging technologies</li> <li>• Telephone</li> <li>• Databases</li> <li>• Team rooms</li> <li>• Technologies related to the particular service (servers, software, etc.)</li> <li>• Reorganization (service provider and/or client)</li> <li>• Business process transformation</li> <li>• "Cost take out" initiatives</li> <li>• Certification</li> <li>• Accounting practices</li> <li>• Contracting practices</li> </ul>
Implicated/Silent Elements/Actants	<ul style="list-style-type: none"> <li>• Client</li> <li>• Subject matter experts</li> <li>• FIRM shareholders</li> <li>• Other service providers/vendors</li> <li>• Service provider's family and friends</li> </ul>
Sociocultural/Symbolic Elements	<ul style="list-style-type: none"> <li>• Outsourcing is a service ... services should be caring ... caring is important</li> <li>• Trust is important</li> <li>• It's a man's world</li> <li>• U.S. dominated</li> <li>• Christian majority</li> <li>• Firm symbolic positive connotation</li> <li>• Firm "values"</li> </ul>

Table 5 (continued)

Categories	Elements/Actors
Discursive Constructions of Nonhuman Actants	<ul style="list-style-type: none"> <li>• Outsourcing is less costly than ‘in house’</li> <li>• Outsourcing didn’t deliver on the anticipated benefits</li> <li>• Outsourcing as lower quality than ‘in house’</li> <li>• Outsourcing as higher quality than ‘in house’</li> <li>• Outsourcing as less innovative than ‘in house’</li> <li>• Outsourcing as more innovative than ‘in house’</li> <li>• Outsourcing as less responsive than ‘in house’</li> <li>• Global outsourcing as not caring about Americans</li> <li>• Technology is good</li> <li>• Technology is bad</li> <li>• It’s all about relationship</li> </ul>
Spatial Elements	<ul style="list-style-type: none"> <li>• People don’t work where they live</li> <li>• People don’t work at the same location</li> <li>• Some are co-located, others are not</li> <li>• Multiple locations (even multinational locations)</li> <li>• Invisible aspects of service (work in the background)</li> </ul>
Related Discourses	<ul style="list-style-type: none"> <li>• Troubled U.S. economy</li> <li>• Technology is good or bad</li> <li>• Globalization is good or bad</li> <li>• Women shouldn’t travel / should be home with families</li> <li>• Discourses specific to industry (e.g., healthcare clients have the related discourse to the crisis of health care, travel and transportation to the challenges of airline companies)</li> <li>• Trust is important</li> <li>• Relationship is important</li> </ul>
Other Key Elements	<ul style="list-style-type: none"> <li>• Job security</li> </ul>

*Appendices*



## Appendix 1

*Glossary of terms*

<b>Term</b>	<b>Definition</b>	<b>Acronym</b>
Batch process	A way of managing large amounts of data. Typically occurs around a particular set time schedule (e.g. a nightly batch job)	
Firm	Outsourcing service provider who hosted the study	
Instant Message	IM is real-time communication based on typed text. Two people can IM with each other or they can invite others to form IM groups. Service Initiation Team members can utilize IM lists to see if other team members are on line. Business-grade IM systems typically include security measures to prevent unintended interception of messages. This is the case with the Firm sponsoring the study.	IM
Matrix Work Environment	A type of organizational structure where vertical and horizontal hierarchies are in place. Individuals in matrixed environments are likely to say: "I have more than one boss".	
Negotiation Team	Employees of the outsourcing service provider who define and negotiate the terms of the contract with the client.	
Overall Service Initiation Manager	Leads the group of Project Managers who manage the work of subject matter experts to complete the tasks of service initiation	SIM
Project Executive	Leads the Firm resources, particularly once service initiation is complete and the work is at steady state	PE
Project Manager(s)	The individuals who make up the Service Initiation team and manage the work of subject matter experts	PM

## Appendix 1 (continued)

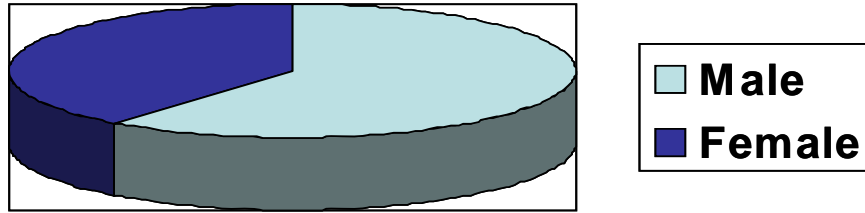
<b>Term</b>	<b>Definition</b>	<b>Acronym</b>
Re-Badging	A term for the process that is initiated when a technology outsourcing contract is signed when some employees—from a few to hundreds—are “acquired” as employees by the outsourcing service provider.	
Service Initiation	A contractually defined period of time at the beginning of outsourcing service delivery during which the outsourcing service provider is bound to complete the process of discovering a client’s processes and technical architecture, and to assume all services that are included as a part of the contract	
Service Initiation Team	The group of people, made up of the SIM and multiple PMs, who are accountable for service initiation	SIT
Service System	A value coproduction configuration of people, technology, other internal and external service systems, and shared information	
Steady State	The period of service delivery after initiation is complete	
Subject Matter Experts	Extended members of the Service Initiation Team who have particular technical or business expertise needed to initiate the services as required by the contract	SME
Technology Enablement	A work process that involves the use of computers or machines to complete some or all of the work. ( a telephone call center that relies on telephone touch-pad entries made by the caller prior to routing to a human call center employee would be considered an example of technology enablement)	

## Appendix 1 (continued)

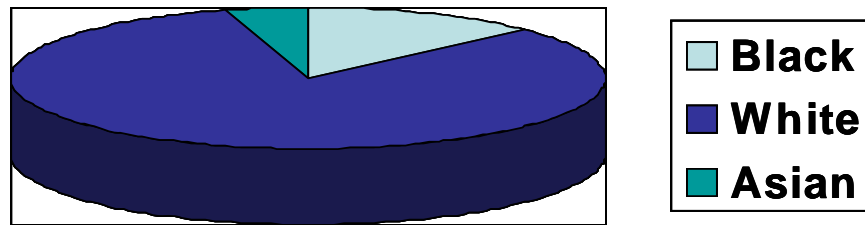
<b>Term</b>	<b>Definition</b>	<b>Acronym</b>
Tele-conference Line	At minimum, a shared voice-to-voice connection via telephone or network line for two to many individuals. When connected via a network connection, teleconference lines can also be used to share and view applications across multiple user computer screens. Service Initiation Teams will dial into and hold open a 24 hour/day teleconference line. Members of the group can call in and exit freely. Project Executives and Service Initiation Managers can monitor the line to hear what the “chatter” is about, listen for issues, and answer questions.	Tele-conference Line
Project Team Room	Intended as virtual meeting rooms that provide a central repository to gather and share information as an alternate to sending individual files to every member of a group. Team rooms are intended to increase efficiency by centralizing online capabilities and to stimulate sharing and collaboration.	
VoIP /Telephone	A technology of voice over Internet telephony (VoIP). VoIP is a technology that routes voice conversations through the Internet rather than through traditional lines. An adapter device is used if the end user wishes to use a telephone or the user may choose to use their computer with a speaker or headset device. Technology service providers, and other business organization are moving to VoIP because of the bandwidth efficiency gained by using one class of circuit for both Internet and telephony.	

Appendix 2

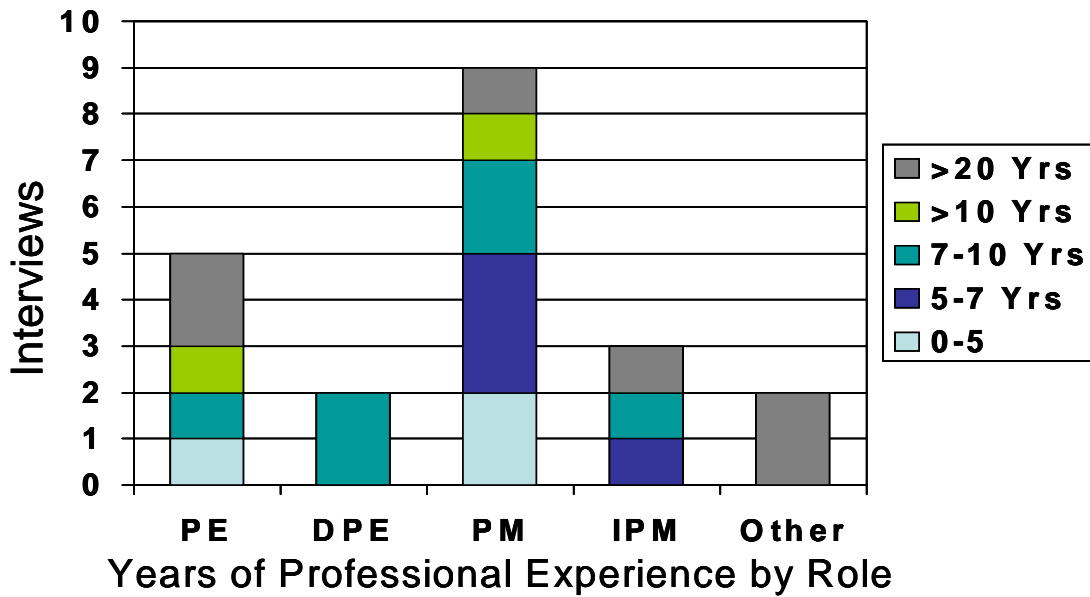
Demographic summary



Gender



Race



## Appendix 3

### *Relationship formation interview guide*

#### **Outline:**

- History
- Role on Team
- Mapping and Interactions
- Fixed Questions
- Exploratory
  - Tools and Resources
- Assessment/Evaluation of Relationship formation during service initiation:
- Concluding questions
- Observation opportunities

#### **History:**

Could you tell us a little bit about yourself? We're interested in such things as your work history, job tenure, interests, anything that you'd like to share.

#### **What is your role on team?**

- Probe for
  - Key tasks and activities
  - Differences in tasks and activities over different phases of the service initiation process
  - Where time is spent
  - Perceived importance of activities

#### **Mapping Exercise and Interactions**

- When you think of service initiation, map your view of the roles/people/processes/activities involved in service initiation
- Who do you work with most closely with related to this account?
  - Changes in different phases of the work? Describe.
  - Explore work with:
    - Core team
    - Labs and other parts of <Firm>
  - What do you need to know about a person to feel like you can be effective with them during service initiation?

- What steps do you take to figure this out?
- In an average week, how much time is spent interacting:
  - With members of this team
  - With other parts of <Firm> for the purposes of this team
  - By self
  - With other (e.g., external parties)?
  - Extended team members: time spent on this account weekly. Is it sufficient?

**Fixed Question:** What have been your experiences in forming relationships with other <Firm name> during service initiation?

Probe for:

- How have you formed relationships with members of this team?
- Once they are formed, how do they affect/impact your work?
- What do people do together (or alone) that forms working relationships?

**Fixed Question (Ask when it seems appropriate):** During this conversation we've both used the word relationship frequently. What do you mean when you use that word?

Probe for:

- What do you think it means to have a relationship with other employees at <Firm>?
- What does relationship mean to you?
- What does it mean to say you have a relationship with another member of the service initiation team?

### **Additional Exploratory Areas to Probe**

#### Tools and Resources

- How does the team keep track of its progress during service initiation? [[should this be service initiations? Or the service initiation?]]
- How is information shared between employees from <Firm> on this Service Initiation team?
  - Ask about specific databases, Internet sites, TeamRooms, documents, tools, etc. used during this process and the purpose each serves.
  - How is your use of this account's tools and resources related to your interactions with people through other media (e.g., someone tells you about something in the databases, you get an e-mail prompting you to post something, etc.)
  - Who do you share information with

- By role

**Assessment/Evaluation of Relationship formation during service initiation:**

- What lessons have you learned about forming and maintaining relationships during service initiation? [[service initiations? The service initiation?]]
  - Are those lessons learned recorded/tracked? How?
  - Where are those lessons learned stored?
- When they say that seeing each other face-to-face during the kick-off is valuable or adds value:
  - If you were responsible for making the case or measuring the value of the initial face-to-face meeting during initiation, how would you do it?
- Ask of PEs and ITM:
  - Goals and objectives of this initiation and the account overall
  - Processes used to track/monitor the status/health of the initiation and of the Service Initiation team
  - Personal indicators of when things are going well/not going well
  - Evaluations/senses of their own and others performance

**Concluding questions**

- Key challenges you face forming relationships with others during service initiation:. [[service initiations? The service initiation?]]
  - How have these challenges manifested themselves in specific things that have occurred on the account?
  - Have there been any challenges in this service initiation you're currently working on that would attribute to working relationships?
  - How have you addressed these challenges?
- If you could change anything for the better, what would it be?
- As if there is anything else they'd like to share
- Find out about their schedule and possible observation opportunities of them and/or team activities.

