

Providing Value Through Collaboration: A Theory of the IT-Client Relationship Development

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Abstract

The computerization of organizations has become increasingly important since the introduction of first computers in the late 1950s. The rapidly changing business environment and technological advances of the 1990s are triggering major transformation in the way companies organize their work and conduct their business. Information technologies (IT) and information systems specialists are critical enablers of this transformation. Successful provision of an IT-related service depends on collaboration and partnership between IS professionals and the user community. Providing value to the IT clients is a means to an end in building these critical IT - client partnerships.

This paper presents a theory of how IS specialists provide value to their business clients through the development of IT - client relationships and the consequences of these value-adding activities to the organization. The theory involves three core processes which have been discovered to be relevant to the way IS professionals provide value through collaboration. These processes are -- *inciting*, *intervening*, and *informating*. Furthermore, the theory specifies the stages through which IS specialists provide value to their business clients. These stages are -- building, maintaining or destroying the IT-client relationships. The paper describes the conditions under which value-adding collaborative activities take place, strategies by which IS specialists engage in value-adding activities, and the consequences of these activities to the organization.

1. Paper Overview

Change seems to be the only constant in the Information Systems field. The cost/performance improvements in the core information technologies (IT)--between 30 percent and 50 percent per year since the 1960s--have indeed been dramatic [1]. As organizations progressed through periods characterized by computing hardware, software, and user relations' constraints [2], they employed the expertise and talent of many IS specialists to conceive, design, and diffuse technological solutions to business problems. However, as IT advanced and the number of IS specialists grew, so did the problems associated with IT implementations [3]. Since the effective management of information flows inside and outside organizational boundaries is critical to the health and effectiveness of many organizations, IT implementation problems may negatively impact organizational performance. Recognizing the influence IS professionals can have on organizations, Orlikowski and Baroudi [4] have called for increased research on IS as an occupation and the role of IS workers including their world views and behaviors.

Academic and practitioner literature suggests the Information Systems profession is plagued by a myriad concerns that IS specialists are not providing adequate value to the organization [5], [6], [7], [8]. The value-added aspect of the IS service provision continues to be challenged by productivity paradox and outsourcing phenomena. For example, massive investments in information technologies have not resulted in sufficient productivity improvements [9]. Thus, many executives are faced with a formidable task of justifying the ever-increasing expenditures for the IT infrastructure and the IS human resources [10]. Outsourcing is yet another phenomenon foreshadowing IS.

Outsourcing is viewed by many business executives as a potential value-adding strategy. In fact, the results of a recent empirical study of IS outsourcing benefits indicate that both technical (i.e., technical expertise), business (i.e., lower costs of operation), and non-technical (i.e., better quality of IS service) benefits were significant motivators of outsourcing decisions [11]. The outsourcing business has grown rapidly in the past years and is expected to be a record high forty

billion dollars by the end of 1990s [12]. This trend may eventually spell danger to the IS profession as users outsource and rightsize their IS organization, thus putting IS professionals out of work.

In the past thirty years, computer systems' development practices have progressed through three distinct phases, each dominated by a certain constraint: *hardware* constraint -- i.e., limitations of hardware cost and reliability, *software* constraint -- i.e., difficulties of producing quality systems on time and within budget), and finally, *user relations* constraint -- i.e., inadequate servicing of user needs [2]. While hardware and software limitations are not as prevalent today as they were a decade ago, the dominant constraint of the 1990s is that of user relations. Providing value-added service through effective IT-client collaboration is one of the ways IS specialists can successfully address the dominant user relations constraint, and thus, ensure the long-term survival of the IS profession.

2. Purpose of the paper

This paper presents a theory of how IS specialists provide value to their business clients and the consequences of these value-inducing activities to the organization (Table 1). The theory is comprised of three core value-adding processes: (1) *inciting* (i.e., instigating, being proactive, etc.), (2) *intervening* (i.e., acting as a go between various stakeholders including clients, management, and vendors), and (3) *informating* (i.e. working closely with business clients to educate and help 'digest' information technology). It also includes the stages through which IS specialists progress in providing value to their clients (i.e., building relationships, maintaining relationships, and destroying relationships). The theory addresses specific conditions, strategies, and consequences relevant to the three value-adding processes of IT service provision.

Table 1. Theory of IS value-adding activities: Stages and Processes

Stages / Processes	BUILDING RELATIONSHIPS	MAINTAINING RELATIONSHIPS	DESTROYING RELATIONSHIPS
INCITING	Instigate users to "push" for new technologies	Act as liaisons between users and IS management	Identify ways to change users' work without understanding political environment
INTERVENING	Bridge the "culture gaps"	Change roles depending on what is needed at the time	Enhance authority and status of IS function at the expense of the user group
INFORMATING	Educate users on how IT can improve their jobs	Continue educating clients until clients are self-sufficient	Provide no training for users

3. Methodology

This study was conducted using a grounded theory method. Grounded theory is an inductive, theory building methodology that enables researchers to develop theoretical accounts of the phenomenon under investigation by grounding these accounts in empirical data [13]. The key aspect of the chosen method is the analytic activity of constant comparison. As data about the IS value-added processes was gathered, it was constantly fragmented, coded and compared to existing theoretical categories. Results of these comparisons were constantly fed back to both the analysis and the data gathering phases of the study.

The data collection strategy involved multiple sources of evidence including personal interviews with twenty IS specialists and their clients, follow up telephone interviews, and the review of company and IS project documentation. The focus of the semi-structured personal interviews with the IS specialists and their clients was on the tactics employed by IS specialists to provide the information systems-related services during IS implementation projects. The IS projects involved new system development efforts, post-production support and routine maintenance activities. IS specialists interviewed for this study had the following demographics: (1) two to eight years of IS experience, (2) 22 to 34 years of age, (3) 80% had college degree in IS or Business, and, (4) worked in banking, retail and communications industries.

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